PLUS DELTA® Consulting

Making It On Your Own as a Management Consultant:

A 3-Part Series

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Part I: Visioning the Possibilities for a Thriving Management Consulting Practice

With almost 250% growth in the past 3 years alone, Plus Delta Consulting has become one of the fastest-growing private companies in America according to Inc magazine. Not a small feat for a boutique management consulting firm! We clearly are doing something right to receive such recognition, but don't let the award fool you. We have made our fair share of mistakes along the way.

In this 3-part series of articles, I will share many of our greatest lessons learned with you, the IMC SoCal member, in an attempt to fast-track your development as a successful management consultant. These are some of the best pieces of advice nobody ever gave me – I only wish someone had offered them to me when I started my firm! – and I hope they help you create your own thriving management consulting practice in the year(s) ahead.

The remainder of this first article focuses on *visioning the possibilities* for a thriving management consulting practice. As I often tell my clients, if you don't know where you are going then you aren't likely to ever get there. It really is that simple! Have you ever just sat down in your car and started driving without any clue as to your final destination? I probably have once or twice in my life when I really just needed to get away from it all, but I wouldn't wish that upon anyone just getting started as an independent consultant. And if you already launched your practice, guess what… It's time to go back and retrace your initial steps as a solopreneur. Do not pass go, and do not even think about collecting $200!

As you envision your ideal future as a management consultant, it's critical to know yourself and be crystal clear about your unique gifts as a trusted advisor for others. Take the time to determine not only what you excel at technically but also what you are passionate about individually. Jim Collins taught us about the importance of passion to build momentum and turn the flywheel in his best-selling book Good to Great. And I assure you he wasn't just talking about "Level 5 Leaders" at those good-to-great companies. You will achieve far greater results as a consultant doing things you genuinely enjoy doing rather than just those things you feel you have to do or simply that pay the bills.

Once you take the time to self-reflect and identify your key strengths as a consultant, it is imperative for you to define your vision for your firm. There are 3 essential questions to ask yourself and anyone else in your practice as you do this:

1. ***"What's so" for you and your firm?*** What do you see as relevant or important about your past situation and present circumstances? What are your firm's key strengths? Weaknesses? Or maybe you haven't even launched your firm yet because you are "stuck" in your current job? For Plus Delta, what's so is that the firm was established almost 8 years ago, and we have developed strong brand recognition within our field of Organization Development. What's also so for me individually is that my primary role now is to be head of Sales and Chief Rainmaker, so I only provide specific client services in areas that I'm most passionate about and when I know I can make a difference.

2. ***What is the predictable future for you and your firm based on "what's so"?*** In other words, if you do nothing to address "what's so," what is likely to happen to you and your firm if current and past trends continue. What's predictable for Plus Delta is that we will continue to sell services across all four critical areas of organizational performance – Strategy, Processes, Systems, and People – but much of our practice will continue to center around technology adoption. This may not be what we want to happen as we focus more attention on delivering transformational change, but it is most likely to happen if we do nothing differently in the future.

3. ***If anything was possible for you and your firm in January of 2020, what would you have?*** This 10-year

planning horizon may not be appropriate for you, so just imagine an ideal future at some point in the not-too-distant future. If your firm was outrageously successful, what would it look like? If we suspend reality for just a moment and imagine what we could achieve if we could have anything, Plus Delta would have greater national presence with offices throughout the US, and we would be known for creating Positive Change℠ Transformations in all of our client organizations. Consider how you would have the future be if nothing was impossible – that may be the difference between what's predictable today and what's really possible in your future.

In Part II, I will speak more to best practices for filling your sales pipeline and bringing in the business – as I mentioned above, that's my primary role these days and apparently where I shine the most as a management consultant. You'll never reach your final destination though until you determine exactly where you are going, so take this time to be creative and really reach out. Don't censor your passion for what's possible because of your present-day reality. Remember you are envisioning your ideal future, so write down whatever comes to mind – and have some fun with it!

Once we develop our business development and sales strategies in Part II, we will then discuss how to be innovative and produce even greater business results to grow our practices in Part III of the series. Until then, it's time to get focused. There is plenty of time for expansion later in the journey.

Part II: Filling the Sales Pipeline to Feed Your Consulting Practice

If you recall, Part I of this 3-part series focused on visioning the possibilities for creating a thriving management consulting practice. In that article, we learned that if you don't know where you are going then you aren't likely to ever get there! So if you aren't crystal clear on what your intended destination is as a management consultant, stop reading this and go back to Part I in this 3-step process. Seriously. It's a waste of energy and precious time to focus on business development and filling your sales pipeline until you define your vision. Don't get me wrong. I know you have to pay the bills to keep the lights on. I also know you won't be very effective as a business developer if you haven't determined both your short-term and long-term business objectives.

Still with me? OK, good. Now that your vision is clear – you are going to build a $10M consultancy over the next 10 years to rival Accenture's Los Angeles practice, or maybe you are going to remain a small IT shop providing broader program management services while also offering targeted staff augmentation support, or maybe you are going to make a difference in the world as a solopreneur who improves the quality of healthcare by only supporting not-for-profit community medical centers in your local community – it's time to chart a course for reaching your destination. And for better or worse, the only way to get there is to sell your consulting services.

Now how many management consultants do you think got into this business because they were great salespeople? Very few, if any at all! Most of us, including me, started our own consulting practices because we thought we were good at what we did and that we might even be better at it than the next person. One of my primary reasons for leaving PricewaterhouseCoopers (after already completing my tour of duty in Andersen's Business Consulting practice) was that I believed PWC's business practices were too rigid and in some cases actually did my clients a disservice – by forcing me to serve them as a full-time resource, by not offering them the innovative solutions they really needed, etc. I was confident that I could be more strategic and adaptive and meet my clients where they were at if I was working on my own. So I left.

That may sound admirable, but it feels very near-sighted and seems pretty darn stupid when I think about it. Many of my family and friends as well as my

former co-workers probably knew that back in 2002 when I announced my decision to leave because they all had the same reaction, "That sounds great Jeremy, but how are you going to sell any projects?" That's when I realized that being a good "Technician" (as Michael Gerber refers to it in his book *e-Myth*) is only one of the critical roles I would play as a solopreneur and small business owner. And unfortunately, being a subject matter expert in your field won't get you very far in the beginning if you don't sell the work first.

Sales isn't that difficult though. It's actually quite simple! You just need to understand the difference between marketing and sales and learn the basics about being a good business developer. The following are some of the fundamental tasks you must complete to establish your market presence and begin filling your sales pipeline:

✓ **Establish your brand identity** – I strongly recommend a logo and some kind of brand identity beyond what your typical AOL or Yahoo email account offers. It makes a HUGE difference not just reserving a domain name for a website that is perpetually "under construction" (for example) but actually building a website that instantly earns you credibility and respect. I'm not just talking about pictures and bold colors though. This branding effort requires you to determine your distinct market value and then define what specific services you are going to offer your clients. This is pretty straightforward if you are clear on your vision. Oh, and have you considered starting a blog or using Facebook, LinkedIn, or Twitter? These collaborative media are definitely here to stay, so you need to get on board and use them – if for no other reason because your competition is.

✓ **Identify your first – and next – sales targets** – It's important to segment this group of prospective clients and referral sources into three separate categories:

1. "A-listers" – Those who have budget authority and are in a position to hire you now
2. "B-listers" – Those who may need your services but do not have the contract signing authority or business need right now, and
3. "C-listers" – Those who probably can't use your services

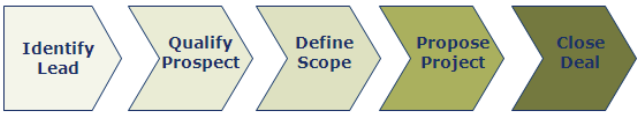
All of these people are critical to filling your sales pipeline. You want to spend as much time with A-listers as possible, but realistically you may have far more B and C-listers on your list when you get started. Find ways to support your B's in the short-term until their situation changes and definitely help your C's understand how best to connect you to the A and B-listers in their networks. Describe your services in a way that they understand the results you deliver, share white papers or other resources that they can pass along, etc. – whatever you can to stay front of mind as they connect you to others.

✓ **Evaluate everything you are currently doing to market your firm** – Marketing is like planting the seeds for your future sales, and you need to cast a wide net – to prospective clients, to fellow colleagues and potential collaborators, even to friends and family – to put opportunities into your sales cycle. Towards that end, there may be other professional associations or local Chambers of Commerce you can join to increase your network and get your message out there. Or maybe you can write a short article or brief client success story that will be of interest to your sales targets the next time you communicate with them.

✓ **Learn the sales cycle** – There is a natural cycle to every sales process, and closing the deal is merely the final part. Sales rarely, if ever, happen overnight. Instead, it can take months or even years for a potential opportunity to turn into a paying project. More often than not, most leads never even turn into any committed work!

Provided below is a simple five-stage process that we use at Plus Delta to help us manage our sales cycle. It is extremely useful for tracking the initial leads we

receive through to the deals we actually close at the end of the process. To be successful, you must keep filling your sales funnel with potential opportunities and follow through on any viable leads you receive. Like it or not, it's a numbers game, so you must have high enough numbers if you are going to succeed.



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✓ **Cultivate alliance partnerships** – The good news is that you are not in this alone – even if you are a solo practitioner. Some of my best business development has (and still does) come through other consultants. My best alliance partners over the years have been an independent employee communications consultant, an ex-McKinsey strategy consultant, and a few different IT consultants. These people have nothing in common as far as their service offering, but they have everything in common as far as our synergies when implementing large-scale organizational change. In my early years, I didn't have many client contacts to prospect, so I turned to these folks to help develop business for my firm. They aren't just good referral sources though. They have been awarded significant pieces of work because of what we offer their clients together as a team and how we go to market together.

I am a firm believer in abundance versus scarcity, and I'm confident there is more than enough pie to go around for all of us. Based on this belief, I always think outside of the box and look for opportunities that are not just a perfect fit for what Plus Delta can offer but instead a possible fit for my alliance partners. If you keep their unique abilities in mind when potential opportunities come up, you will be better able to support them. And what goes around, comes around!

✓ **Always maintain your focus on the market** – One of the hardest challenges I found as a solopreneur was trying to generate new leads while managing my current client commitments. I have always had a fear 0f being a one client firm though, so it is easy for me to maintain my focus on the market and not become complacent with my current client work. Client situations – and budgets – can change in an instant, so it is extremely risky to have all your consulting eggs in just one client basket. As such, it is important to stay visible in the marketplace and keep planting the seeds for future opportunities even when you are busy managing your current client work.

Easier said than done, right? Wrong! You can do this. You are good at what you do – otherwise, you wouldn't be a consultant – and while filling your sales pipeline may be a slow and involved process, it merely requires some simple mechanics. Build your brand, identify who you already know who might benefit from working with you, ask them about the possibilities, and when they say no (notice I said "when" because they are far more likely to say no than yes at this point) tell them you will contact them again in the near future and ask them for a couple referrals to others in their network who might also benefit from working with you. Be persistent, and keep working your list of sales targets.

Above all else, be confident! If you aren't confident in your abilities to deliver the proposed solution, you will be far less likely to deliver a quality solution that meets your client's needs. Not surprisingly, the same holds true for the sales process too. Therefore, if you aren't confident in your ability to sell your services, you are less likely to be successful in actually closing the deal. When presenting your recommended approach to a prospective client, you must instill a strong sense of understanding their needs, establish a relationship based on trust, and create the foundation for a positive and productive relationship moving forward.

More than 90% of all possible consumers – regardless of what you sell – are not in the market to buy your services "now". (See Chet Holmes, The Ultimate Sales Machine) So remember, the goal of business development is simply to start conversations – to

establish new relationships, determine possible fit, and build credibility – NOT "sell" or "close the deal". That will come later, so don't get hung up on that when you are filling your sales pipeline!

And finally, it is more than 100x easier to sell add-on work to an existing client than it is to acquire a new client. So what are you doing today to close more work with your existing clients today to keep your pipeline full forever?

Part III: Growing Your Practice by Creating More Sustainable Business Practices and Getting to No Faster – So You Can Get To Yes

By now, you have defined your Vision for the ideal future of your management consulting practice and developed a business development and sales strategy to achieve your Vision. Right? If you aren't here in your practice yet, please go back and read Part I and II of this three-part series of articles. It is critical to determine your final destination as a consultant if you are ever going to get there, and from there you must establish your go-to-market strategy to fill your sales pipeline if you are going to create any business lift.

If you have already taken these essential steps, then you have probably already sold your first project or two. Congratulations! That definitely takes some pressure off you as a solopreneur, but it won't create long-lasting results. For your firm to really take off, you must move past selling your first project – or even your next project – to focusing on implementing sustainable business practices that allow you to sell more projects faster and easier than you did your first. So how do you do this? You need to evaluate your process for contracting with your clients and closing your deals.

Now I'm not a lawyer, so I'm not talking about what legal terms and conditions you put into your contracts. Alan Weiss will actually tell you not to put anything in there that will require someone from Procurement or the Legal department to review your contract because that inevitably will slow down if not all together kill the deal. My concern here is to help you get past the challenge many management consultants have with valuing their work and engaging their prospects in their sales processes. The nice thing about this common challenge is that money needs to be the final step in the contracting process, and if you do it right your clients will tell you exactly what they are willing to pay.

Fit first.
Scope second.
Then money.

When I first started as a management consultant, I used to get so hung up on the need to place a value on my services in order to close a deal that I focused too much attention on money first when talking to prospective clients. The other side of this coin was that I'd get so excited when my prospects said they wanted to work with me that I went off and wrote voluminous proposals that were well beyond their expected – and allowable – budgets. It took me awhile, but I soon learned this was the exact opposite of what I really wanted to do! To avoid this pitfall, I now focus on establishing fit with my prospective clients first – fit between me and the prospect individually as well as fit between me/my firm and the presenting business challenge. I usually know right away if a prospect is a person and organization I want to work with.

Assuming I do establish fit, then the second step in the sales process is to define the scope of work. This gives me more of an opportunity to match my services to my prospect's needs. I usually ask my prospects to describe their current situation to me first so I better understand their needs. That allows me to provide an overview of how I would approach the situation, establish the overall timeline for the proposed initiative, and discuss the level of effort I think is required to achieve the prospect's overall objectives.

As I more clearly define the scope of work, I actively engage my prospect in the process and ask him/her for feedback. "Does that sound like an effective approach to you?" and "Do you think what we just discussed will meet your needs?" are both excellent questions to ask to solicit feedback from your prospect. If he/she says "No," then I know that I need to refine my recommended approach before moving forward. Assuming he/she does agree, then I know it's safe to discuss money.

After – and only after – I establish fit and clearly define the scope in a way that my prospect agrees with the approach do I focus on determining the total value of my proposed solution. Now I've been selling projects for several years, so I can begin estimating project costs in my head pretty early in the process. If it's a small project, I can probably guess it will be roughly $18-20K as I describe the approach. If it's a much larger, longer-term engagement, then I can assess what a reasonable hourly rate will be – maybe $200 per hour – and calculate that rate over the course of a 6-month timeframe, for example. $200 per hour x 40 hours per week x 4 weeks per month x 6 months equals just under $200K. And yes, I will do that in my head while I'm still on the phone with a prospect! Either way, notice that money comes last in the sales process.

There is no point trying to close the money deal before I establish a working rapport with my prospect. Even at that point, it is difficult to price something that has not yet been defined. More importantly though, my prospects help define the scope of work for me when I effectively engage them in the conversation. In doing so, they become key decision makers in determining how much the proposed solution will cost. If the proposed budget is too much, then I am in a great position to negotiate by reducing the overall scope of work before simply reducing my direct price. This technique is very much in line with Alan Weiss' model for providing multiple options within your proposed plan for support.

Whenever possible, I usually try to present three different options – the Rolls Royce, the Lincoln Towncar, and the Honda Civic – to our prospective clients when I think money will be a significant factor in their decision-making process. By framing the buying decision in this way, I am more likely to create a win-win solution with our prospects that is neither too costly to be affordable nor too cheap to be ineffective. If the prospect chooses to reduce the scope of work, then I can reduce the budget. While it may not be the most luxurious car in the world, I have never had an uncomfortable ride in a Lincoln Towncar!

Just this week, I used this approach quite effectively with a Senior Vice President who is interested in being a more effective leader. We spoke for about 30 minutes about her current situation and some of the challenges she is facing at the multi-national entertainment company where she works. I then began describing several possible components for an executive coaching program – having already ruled out a broader team development or other organizational intervention. I told her that the full coaching program would be $21K for 6 months. I then told her that it sounded like we could meet her near term needs by setting a program investment about half that – around $10-12K – because several of the activities of the more complete program were not appropriate for her right now. When we kicked off the New Year, Plus Delta actually launched a "QuickStart" Executive Coaching program for less than $2K, so I described that to her as well but was very clear that this more targeted program would likely fall short of meeting her true needs.

The purpose of all this is to develop a more sustainable business practice for defining your scope and outlining exactly what you will/will not do for your client quickly and early in your initial conversations. At that same time, you can verbally suggest a project budget that is in line with what you are expecting to deliver. This isn't to say that you don't need to more formally document a proposal and

present it to your client for review. I just think that the more you cover up front with your prospect, the quicker you will get to no. And the quicker you get to no, the quicker you can turn that around and get to yes! No does not always have to be the opposite of yes. In fact, during the sales process I often use no as a powerful tool for enrolling my prospect in the process of making a joint decision about how we will move forward together. And as long as I speak with confidence and a level of conviction in my voice, I instill a sense of trust in my clients because they leave the conversation believing I know what I'm doing and that I can in fact meet their needs.

Growth doesn't come over night. And there is no magic potion for getting business lift with your consulting practice. It takes hard work, discipline, and tremendous focus to make it on your own. These are all things that you are likely capable of, but not necessarily when you have to sell another project just to pay your bills. Unless you have significant savings hiding in a reserve account somewhere – which isn't likely after the Great Recession of 2009 – you need some steady cash flow to be able to invest in yourself and especially the long-term success of your firm.

As you begin gaining traction selling your services, be sure to continually assess the conversations you are having with your prospects and other referral sources. You may be surprised to realize that you have become so comfortable selling one thing that that's all you are talking about. See if your firm's offerings are still in line with what the market needs. Some of my best conversations about firm growth are actually with other professional service providers – accountants, attorneys, bankers, etc. – who also support client organizations like the ones that we work with. My perspective can get jaded over time given my role as a management consultant, so these other service providers have different perspectives that often help me see things I may be missing.

If you can identify a couple of opportunities that you may be in a unique position to pursue, you will be able to develop new products and services that allow you to grow your business. And then, you can reconnect with your past or even existing clients to see if these innovative products and services will effectively address their anticipated needs. Remember, your clients and broader market know you as you are 'today', so you'll need to educate them on who you are going to be 'tomorrow' if you are going to enhance your service offering. Again, this is all in the spirit of establishing fit with your prospects so that you can not only open more doors but also secure more work as a consultant.

Jeremy S. Lurey, Ph.D. ▪ CEO & Chief Architect

Dr. Jeremy Lurey is the CEO and Chief Architect of Plus Delta Consulting. Dr. Lurey is a talented leadership coach and organizational change specialist who partners with his clients to improve performance and produce better business results.

With nearly 20 years of progressive experience as a management consultant, he is a trusted business advisor for and has supported clients ranging from small start-up organizations to Fortune 100 multi-national corporations, including numerous not-for-profit and government agencies. Honored as a Top "40 Under 40" executive of the year by The M&A Advisor, Dr. Lurey has particular expertise in leadership development, succession management, change management, process improvement, and strategic planning.