

“These lessons start well before you open your doors for business and continue well beyond your initial successes as a solo consultant. It is important to recognize that the long-term viability of your practice does not come from just selling one project. Instead, it comes from continued diligence in running your business like a business.”

Making It On Your Own

Lessons Learned from One Solopreneur to Another

By Jeremy S. Lurey

This article is about seven invaluable tips for OD consultants who want to establish their own independent consulting practice. To be honest, I am not really an expert in helping consultants set up their practices. What I do have, however, are several lessons learned from experiences over the last six plus years.

I launched my own OD consulting practice, Plus Delta Consulting back in 2002, and the firm is still going strong. In fact, Plus Delta now has more than a dozen consultants working on projects throughout Northern and Southern California. We have experienced at least double-digit growth year over year for the past several years, and our client list and revenues continue to grow.

In this article, I share my greatest lessons learned from starting my own consulting practice and becoming successful making it on my own. For some, more established consultants these lessons may be old news. But when I think back to Plus Delta’s early days, these lessons are the best pieces of advice nobody ever gave me, and I wish someone had offered them to me when I started on my own.

I had lots of help along the way—particularly from my wife Samantha who joined me in this quest in 2004 and now works alongside me as President of the firm, but ultimately I had to figure out the nuts and bolts of running a consulting firm the hard way—by trial and error all on my own.

So I hope these real-life experiences and words of wisdom will be valuable for

the newly-established OD consultants who want to grow their consulting practice too.

My seven greatest lessons learned from the past several years of real-life experiences are intended to give you a leg up in launching, running, and growing your own successful OD consulting practice. These lessons start well before you open your doors for business and continue well beyond your initial successes as a solo consultant. It is important to recognize that the long-term viability of your practice does not come from just selling one project. Instead, it comes from continued diligence in running your business like a business.

CONFERENCE CONNECTION

Jeremy S. Lurey is a presenter with Samantha Lurey at the 2008 OD Network Annual Conference in Austin at the following session:

Launching, Running, and Growing a Successful OD Consulting Practice

Monday, October 20
10:15 – 11:45 AM

Seven Greatest Lessons Learned

1. Know thyself and establish your strategic direction before you jump!
2. Establish your brand before going to market.
3. Learn the sales cycle and keep your funnel filled.
4. Fit first. Scope second. Then money.
5. Don’t get complacent. Always maintain your focus on the market.
6. You don’t have to go it alone forever!
7. Not all deals are good deals. Don’t sell out!

1. Know thyself and establish your strategic direction before you jump!

Before you launch your consulting practice, take the time to figure out not only what you are good at as a practitioner but also what you are passionate about as an individual. I can assure you that you will be far better at things you genuinely enjoy doing as opposed to those things you do only because you feel you have to. Harriet Rubin wrote a great book called *Soloing: Realizing Your Life's Ambition*. I recommend this book to anybody who is even considering launching their own OD consulting practice and most especially before they actually do it. It may help you gain some insights about yourself and what specific services you want to—and should—offer as an independent consultant. It might also help you understand your potential limitations when you go out on your own before you find yourself in a potentially compromising or otherwise difficult situation. At the very least, it will likely give you any last motivation you may need to leave your current job and make the leap to being on your own.

Once you take the time to self-reflect and identify your key strengths as a solopreneur, it is essential for you to define your vision for your firm. Are you always going to be an independent consultant, or are you going to partner with others? Do you want to serve only government agencies in your local region, or will you consider working for any corporate client within the United States? There are a million questions like these you can ask yourself about the world you want to create—for yourself and your clients. The answers to these questions will help you shape your future as a solopreneur.

2. Establish your brand before going to market.

Another important pre-launch task is to establish your brand identity before

you actually launch your OD consulting practice. Your brand consists of everything from your website domain (i.e., *www.plusdelta.net*) to your company logo, standard color palettes and fonts, etc. You don't have to have the most elaborate or sophisticated look and feel to succeed as a solopreneur let alone land your first consulting assignment. In fact, there are a number of OD consultants who never create a professional website or have a company logo, and they still seem to do fine. With that said, it will probably help you differentiate yourself in the marketplace if you take some time to think about how you want to represent yourself and your practice before you actually try to do so. This goes beyond printing business cards. This branding effort requires you to really consider your distinct market value and therefore what services you are going to offer your clients.

Tom Peters wrote *The Brand You 50: Or: Fifty Ways to Transform Yourself from*

Projecting a sense of credibility and confidence is critical when making a first impression, so it is important to define your brand and determine how you are going to represent it before you launch your firm. This preparation will enable you to craft a more effective marketing message as soon as you are ready to announce to the world that you are open for business.

an 'Employee' into a Brand that Shouts Distinction, Commitment, and Passion! to help internal employees take control of their careers by more effectively establishing their professional presence at work. Peters' teachings are equally useful to any OD practitioner who is thinking of how he or she is going to present him or herself in the broader marketplace. The point here is to develop your elevator speech before you end up on the elevator with a potential client or alliance partner. Projecting a sense of credibility and confidence is critical when making a first impression, so it is important to define your brand and determine how you are going to represent it before you launch your firm. This preparation will enable you to craft a more effective marketing

message as soon as you are ready to announce to the world that you are open for business.

3. Learn the sales cycle and keep your funnel filled.

I have yet to meet an OD consultant who started his or her own consulting practice because he or she was excited about being a salesperson. In fact, it has taken me more than six years to reach that point myself. If you are going to make it on your own as a solopreneur though, you will have to get used to the fact that more often than not you will be in the business of selling yourself—or at least a particular solution which represents and speaks to who you are—to your clients. Your ability to make your mortgage and car payments as a solopreneur will require you to work with your prospective clients to understand their

current needs, determine whether or not there is a fit with what you can offer, define an appropriate solution to address their needs, and finally, gain their commitment to that solution. And that my friends is sales!

What some OD consultants don't recognize though is that 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 turn into any committed work. Does that mean we should stop talking to people when they first express their interest in possibly working with us? Absolutely not. Does that mean we should manage our time

and energy accordingly—without getting our hopes up or buying that new Ferrari? Absolutely.

Figure 1 illustrates a simple five-stage process that we use at Plus Delta to help us manage our sales cycle. It is a similar model to those that others—particularly those who use the word “sales” to describe their profession—have created to describe the sales process. It has been extremely useful over the years to enable us to track our potential opportunities from the initial leads we receive on a weekly, if not daily, basis to the deals we actually close at the end of the sales process.

To be successful, OD consultants must keep filling their sales funnels with potential opportunities and follow through on any viable leads they receive if they hope to ever close a deal. Leads can come through indirect referrals from fellow consultants or past clients who think a prospective client might benefit from speaking with you. Solopreneurs can also create their own leads by proactively developing a target list of prospective clients, publicly speaking in any number of professional forums, or even attending local Chamber of Commerce events to meet fellow business leaders in the area. Regardless of how the leads are created, sales is a numbers game, so you must have high enough numbers if you are going to succeed.

**4. Fit first. Scope second.
Then money.**

As a beginning OD consultant, I used to get so hung up on the need to place a value on my services in order to close a

There is no point trying to close the money deal before you establish a working rapport with your prospective client. Even at that point, it will be difficult to price something that has not yet been defined. More importantly, your prospective client will help define the scope of work when you effectively engage him or her in the conversation.

deal that I focused too much attention on money first when talking to prospective clients. Unfortunately, that’s the exact opposite of what I really wanted to do! To avoid this pitfall, I now always focus first on establishing fit with my prospective client—fit between me and the prospect individually as well as fit between me and 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 you do establish fit, the second step in the sales process is to define the scope of work. This gives you more of an opportunity to match your services to your prospect’s needs and then requires you to demonstrate how your services can achieve the intended business results. You can provide an overview of how you would approach the situation, establish the overall timeline, including expected start and end dates as well as any major project milestones, for the initiative and discuss

the level of effort required to deliver your proposed solution. As you more clearly define the scope of work, it is critical to ask your prospect for feedback. “Does this sound like an effective approach?” and “Do you think what we just discussed will meet your needs?” are both excellent questions to ask to solicit feedback. If he or she says, “No,” then you need to clarify the need and redefine your approach before trying to move forward. Assuming he or she agrees, then you can discuss money.

After—and only after—you establish good fit and clearly define the scope should you focus on determining the total value of that requested solution. Notice that money comes last in the sales process. There is no point trying to close the money deal before you establish a working rapport with your prospective client. Even at that point, it will be difficult to price something that has not yet been defined. More importantly, your prospective client will help define the scope of work when you effectively engage him or her in the conversation. In doing so, everyone becomes a key decision-maker about how much the proposed solution will cost. If the budget associated with the proposed solution is too much, then you are in a better position to negotiate by reducing the overall scope of work before simply reducing the price of the project. 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

Figure 1: Five-Stage Sales Cycle



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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!

When you are defining the total cost of your solution, it is also helpful to describe that cost as an investment for your prospect rather than just an out-of-pocket cost. You can probably predict all of the reactions your prospect will give you when they hear the “outrageous cost” of your proposed solution. If on the other hand you are prepared with some simple and straightforward examples about what your prospect can expect to gain in return for this “reasonable investment,” you will be better able to respond and negotiate a win-win deal.

For example, a \$25,000 budget for new curriculum and program design may be perceived as too excessive. The training firm who approves that same \$25,000 investment, though, may be able

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.

to easily recoup that cost by delivering only a few workshops next year! Or a larger corporation may be willing to invest \$250,000 in a year-long change management support program if that means the company can produce and distribute \$1,000,000 of product more effectively and efficiently in the first week after deploying new technology.

I don't know very many companies that are willing to spend \$250,000 on twelve monthly project newsletters over the course of the year, though, if they don't actually make a difference in driving user adoption and sustainable behavioral change.

5. Don't get complacent. Always maintain your focus on the market.

Closing my first deal as an independent OD consultant was an exhilarating experience. I had never sold anything on my own as a consultant, so that very first time a prospective client agreed to work with me was a great personal accomplishment and took a HUGE load off my shoulders. In that one instance, I regained any faith and confidence in myself and my abilities to make it on my own I may have lost—or at least questioned—as soon as the paychecks stopped coming from my old company. At the same time, I knew closing that one deal was not going to be enough to sustain myself and my family for very long, so my celebration for closing that first deal was short-lived before I turned my attention to the next opportunity.

One of the hardest challenges I found as a solopreneur was trying to cultivate new

leads while managing my current client commitments. I have always had a fear of 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.

I know one consultant who really enjoys full-time consulting opportunities, so she is very disciplined in creating a reserve fund of at least two to three months

of savings when she works on long-term assignments that last up to six or even nine months at a time. That way, she doesn't have to balance her current client commitments with other market-facing activities. Most consultants that I know though try to spend at least a small portion of their time maintaining their market focus and cultivating other leads even when they are busy with existing client work. This usually creates easier transitions between client projects so that they never have to start up a cold sales engine, which can take some time to get running again.

6. You don't have to go it alone forever!

Running your consulting practice requires the involvement of several types of people. According to Michael Gerber, there actually are three distinct roles within every small business that must be performed—the “Entrepreneur” who focuses on the future vision and often serves as the salesperson, the “Manager” who takes a more pragmatic approach and tries to create predictable processes and order within the business operation, and the “Technician” who loves to get things done and actually delivers the OD services and related client work to the client. In the beginning, you will likely play all three of these roles, but keep in mind that you don't have to do it all forever! It's not only OK but also recommended to bring in additional people for distinct pieces of work as soon as you get busy enough to do so.

For example, you may want to partner with a fellow OD consultant to support certain types of client projects. If so, you'll need to determine when you are going to hire employees versus when you simply want to use contract consultants to perform the work. Assuming you are just subcontracting for now, you will still need to develop standard consulting agreements for working with others and determine how and when you will pay them. If you are the one selling the work, it is perfectly acceptable to establish your margins anywhere from 10 to 30 percent (or more)

of the total fees. You might also want to pay your sub-contractors when you get paid by the client rather than net 30 from when they bill you.

One important thing to clarify explicitly when enlisting the services of a fellow consultant sub-contractor is whether or not your relationship is intended to be project-specific or more of a longer-term alliance partnership, as I often call these more strategic relationships. Forming short-term alliances can be extremely effective when trying to provide quality services to meet a specific client need. Some of Plus Delta's most fruitful relationships though are actually with other management consultants who specialize in complementary but not the same services as we do.

For example, we work a lot with a strategy consultant who brings us on board to implement strategic change that she designs. We also work with a communications consultant when she needs to manage large-scale change efforts because she focuses exclusively on the employee communications, not the broader areas of change management. It can be very helpful to specify that a project-specific partnership does not imply an employment agreement or an exclusive relationship between the two parties. If you enjoy working together and have more opportunities to do so in the future, that's a bonus. A project-specific partnership should not be construed as a lifelong commitment to always work together unless that is what both parties actually want to occur.

An additional place to bring someone onboard is if you can free up your time to do higher-value work without adversely affecting your integrity or the reputation of your firm. An easy way to accomplish this is to evaluate everything you do in the business and identify any tasks that can be delegated to other support staff. Based on this assessment, we decided to hire a firm administrator and other marketing support staff to help with some of our internal operations and back-office tasks. Remember, your clients are not likely to pay you if you don't prepare and submit invoices for the services you deliver. At the

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same time, preparing client invoices is a simple administrative task that can easily be delegated to someone else if you want to prioritize your time to deliver the actual client work and perform other marketing and outreach tasks as a solopreneur.

**7. Not all deals are good deals.
Don't sell out!**

It can be quite tempting to focus so much energy on closing the deal that we sometimes lose sight of what is really important to us. As such, it is sometimes easier to close the deal than not close it. When selling yourself—as well as your firm—it's important to make sure the deal actually works for you.

You don't want to earn a reputation in the marketplace of selling solutions that aren't really required or don't meet your clients' true business needs. Decisions such as these can adversely impact your integrity and authenticity as an OD consultant, so ask yourself, "What's the good business reason for doing this?" before closing any deal. If your answer is, "For the money!", then you might consider searching deeper. Many consultants will in fact find themselves closing a deal at least once in awhile because the money is good and they need to pay their bills. If you regularly take the deal for the money

though, you will likely do more harm than good by not staying true to your distinct market value as an OD consultant.

For this reason, don't always feel like you have to close the deal at any cost to you. At the very least you want to be careful of undervaluing the cost of your services or any goods that you sell simply to close a deal. One of my former partners at Andersen Consulting once taught me, "I never want to lose a project because of money, but I never want to win a project because of money either." If you find yourself "giving away the farm" too often, it could detract from your ability to create a thriving OD consulting practice. Even if a potential project looks right financially, that doesn't mean that it will be a good deal for you personally or professionally.

Earlier this year, I agreed to work on a project that required me to travel from Los Angeles to San Francisco every week for six months. The money was great, and the project was one of the largest we have ever sold at Plus Delta. Even still, I took the time to consider the implications of this decision—and talk to my wife—before committing myself to the project. We ended up taking the deal because it was the right thing to do at the time—for me, for the firm, and for the client. If my gut had said, "Don't do this!" I don't think I would have agreed to the project. In fact, we recently turned down a well-paying project because several other factors about the project convinced us it was not a good fit for our firm.

**Greatest Lesson of All:
Be Confident!**

One final lesson worth sharing is to always be confident as a solopreneur. As you probably know and may have even experienced yourself 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. The same holds true for the sales process and your ability to grow a successful firm. Therefore, if you aren't confident in your ability to sell that

Don't get me wrong. I've had plenty of days since launching the firm where I surfed the job postings on Monster and thought I was crazy to stay on my own. Fortunately, those days were very few and far between. I firmly believe the first two years are the most critical to a solopreneur's practice. If you can remain steadfast in your beliefs, others will follow suit. From there, the rest is simply a game of mechanics.

solution, you are less likely to be successful in actually closing the deal. And if you aren't confident in your abilities to run a successful practice, you will likely build a negative brand identity for yourself in the marketplace unintentionally.

You must be confident in yourself at all times when you are trying to make it on your own. Don't get me wrong. I've had plenty of days since launching the firm where I surfed the job postings on Monster and thought I was crazy to stay on my own. Fortunately, those days were very few and far between. I firmly believe the first two years are the most critical to a solopreneur's practice. If you can remain steadfast in your beliefs, others will follow suit. From there, the rest is simply a game of mechanics.

When presenting your recommended approach to a prospective client, you must instill a strong sense of trust and establish the foundation for a positive and productive relationship moving forward. Once the prospect agrees to be your client and you begin delivering services to that client, you must honor your commitments and follow through on your promise to provide a quality solution. Each time I complete this process of sales to delivery, I gain confidence in myself and my firm. This in turn prepares me to be more confident in my next conversation with a prospective client. I promise you: The path to success starts with only one sale, one high-quality project, one pat on the back because you are making it on your own!

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