

Building a Consulting Business

Quick Reference Guide

Defining the Terms

Entrepreneur

A person who owns and operates their own business.

Consultant

A person who provides expert advice professionally.

Freelancer

A person who completes specific projects on a per-assignment basis, typically for a number of companies at once.

Contractor

A person who completes technical work on a per-assignment basis, typically for one company at a time.

The Three Elements

Now that you've done some thinking and some research, you can develop a clear focus for your consulting business.

Your focus should contain three elements.

Service

What type of service will you be offering? Describing the service as a verb can help, such as:

- Analyzing
- Coaching
- Improving
- Publishing
- Designing

Segment

What industry and sub-industry will you focus on? Some examples:

- Healthcare executives
- Network security technology firms
- Mining companies
- Consumer banks

Site

What geographic location will you be focusing on? You may want to start in a small area that you know has demand for your service.

Or, perhaps you will be providing services online, so a wider geographic area might be an appropriate focus.

Do You Have What It Takes?

Consultants usually have the following qualities:

- Good business sense and common sense
- Curiosity about the world around them
- Desire to help others
- Confident
- Persuasive
- Optimistic yet realistic
- Passionate about what they do
- Strong knowledge in the areas that they work in
- Professional, positive image
- Committed to lifelong learning

In addition, the following skill sets are often used in consulting:

- Communication (listening, speaking, and writing)
- Negotiation
- Resiliency
- Change management
- Time management and personal productivity
- Problem solving and decision making
- Basic financial management

Marketing Cycle Overview



Taking it Further

Once you've developed your focus, there are a few additional things that you can do to refine it further.

First, try to create a unique approach for your services.

If you know of other consultants that offer A, B, and C separately, perhaps you can offer a service that offers all of those things combined (and maybe even add a bit of D!).

This is also the time to identify how you will offer your services. We've listed a few options below, but remember that you might offer your services in a different way, or in a way that combines the ideas listed here.

Technical Services

The consultant provides specific technical expertise for the client. Some examples might include:

- Optimizing a database system
- Programming traffic lights to optimize flow
- Setting up a network

Training Services

The consultant provides education to the client. This can take the form of workshops, coaching, on-the-job support, etc.

Specialized Services

The consultant provides specialized expertise and advice to the client. Some examples might include:

- Process improvement
- Data analysis
- Problem identification and solving
- Marketing analysis

Project Management

The consultant completes a broad range of tasks for the client that are delivered as a package. For example, a project might include implementing a new call-taking system. Specific deliverables might include:

- Needs analysis and identifying options for the new system
- Providing support and direction for the executive team when choosing a system
- Overseeing implementation of the system
- Providing training and follow-up for employees
- Reporting back to the executive team on the changes made

Identifying Sources of Work

Here are some ideas that you can use to find work and start consulting. No matter what activities you choose, it's important to track what you are doing, evaluate your results, and modify your approach as necessary.

Requests from Businesses

Governments and large organizations will often post requests for information (RFI's) or requests for proposals (RFP's) when starting a large project. As you review these requests, ask yourself:

- Is my area of expertise a good fit for the client?
- Is the client a good fit for my business?
- Can I deliver what the client is asking for?
- Are the questions in the request specific, indicating that the client has thought about the project?
- Are the questions in the request too specific, indicating that the client already has a winner in mind?
- Is this a profitable opportunity for my business?

If you think that this is a good opportunity for your business, complete the request. Make sure to keep your response material and organize it – it may be useful for later requests.

Brokers and Agents

As with anything else, there are firms that will help consultants find clients. These firms usually charge a percentage of contracts that you get through them.

If you decide to use such a service, be sure to ask for references and have an attorney review any agreements you sign.

Consulting Websites

There are also websites that try to match up consultants, contractors, and freelancers with clients.

These websites may charge less than brokers and agents, but they may also be less effective. Be very sure of what you are agreeing to, especially if it is a paid service.

Networking and Word of Mouth

Networking is a great way to build your consulting business. Or, someone may mention a job opportunity to you, or link you with someone who is seeking the type of services that you offer.

If you receive an opportunity through networking, be sure to send your contact a thank-you note. As well, try to pass on business to your network whenever possible.

Cold Calling and Marketing Campaigns

You can also use traditional marketing campaigns and cold calling to boost your business.

Typically, this involves identifying potentially interested clients, sending them an e-mail blast, and then making one or more follow-up phone calls.