

Developing and Marketing Your Consulting Firm:

Answering Four Questions Will Ensure Your Success

By Ken Lizotte, CMC

If you are just launching a consulting practice, thinking of doing so, or have been in business for a while but client projects are stagnant, it pays to evaluate your chosen approaches to practice management and consider less orthodox strategies so as to ramp things up. Even in slow times, there are many methods for insuring consulting success and keeping you profitable while your competition struggles to pay the bills. The way you answer four questions in particular could spell the difference between mediocre business flow and stunning success.

Question #1: What Business Are You In?

Defining your market niche and value proposition ("value prop") is essential for great consulting success. You must not look like everybody else, you must find a way to emphasize a value-added. As an actuarial, to simply proclaim that you offer "accuracy" may not be enough, as that benefit is likely the minimum expected from all our clients.

Focusing on the insurance industry, Maria Thomson FSA, MAAA (Thomson Management Solutions) provides guidance on streamlining and speeding up the underwriting process, an obviously potential competitive advantage for those

insurers who make a commitment to learn how. Other value props might be such simple value-added as "fast service" or "personal service" or "deep experience with problems in YOUR industry."

Choosing the right value prop will affect your company image, making you more attractive than your competitors who merely offer "accuracy" or imply no special extra value at all. My plumber runs an ad in my local paper which states "I want to be your family's plumber!" That simple commitment held great appeal for me, declaring that my household would be taken care of whenever a toilet overflowed, not forgotten or told to "Wait until Monday."

The other piece about company image is how you project your value. Are you the usual charge-by-the-hour variety or are you, instead, worth something more? To attain the latter, consider a value-based system of billing. This may mean a retainer arrangement or perhaps payment by-the-project. The benefit to this could be reaping more profit overall as well as instilling client loyalty second to none. Of course, this approach also demands your clients indeed view your value as dwelling on a higher plane than your run-of-the-mill competitors. Achieving that of course



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brings back again to your selection of value-prop and value-added.

Recommended reading: *Million Dollar Consulting* by Alan Weiss (McGraw-Hill).

Question #2:

How Have You Organized Your Practice?

Getting organized in a way that prevents your getting distracted from what should be your priorities, i.e., client projects, prospecting, keeping up with trends and new professional knowledge. You should blend your work and family life in such a way that your practice is not your life! In this regard, consider these points:

1. Get and update technological tools: Do you have a powerful desktop, laptop, needed software, cell phone, PDA, fax machine, DSL etc.? You will know best which tools are most useful for you, but be sure to invest in them as best you can and keep them up-to-date.
2. Arrange an office: Whether inside or outside your home, set up a specific office space so that you can be psychologically in tune with your work. If you plan to see clients in your office, an outside office makes sense but if you always travel to your clients' sites, it's OK to have your office in your home.
3. See time as an ally: Time management is the real killer but nonetheless a beast that can be contained. One strategy is to see time as an ally not an enemy. As Duke Ellington once said, "I don't need more time... I need a deadline!" See your looming #1 priorities, recognized typically by their due dates, as little voices designed to nudge you along toward completion of your most urgent projects. Can certain phone calls, emails, lunch meetings be postponed for a few hours or a few days? Usually the

answer is yes, so do so and get on with those tasks that simply MUST be done.

Question #3:

Do You Stand Out from the Crowd?

Once you have defined and honed your value prop, and organized your practice it's time to spread the good news about what you have to offer. Traditionally, a good brochure with a logo and company name are the first steps, as well as at least a modest website. Since consulting is such a people business, my personal bias is to forgo the bells and whistles of jazzy, dazzling websites and overblown four-color brochures in favor of materials more simplified.

A website with 8-10 pages that explain the essentials (company description and value prop, credentials of you and your team, client testimonials, how to contact you, etc.) should be sufficient to get you launched, and a one or two-page, two-color brochure of similar composition will complete the job.

Your company name can be a reflection of what you do ("Smith Actuarial Services") or simply state your own name ("John Smith & Associates"), and your logo (optional) can be any symbol or graphic you like. I don't think it matters much what you choose because these are merely anchors for people to remember you by. The real key to standing out from the crowd is found in how you position yourself with your target market.

Many consultants wonder if effective means for doing so might involve traditional awareness methods like advertising or cold calls. But as department store magnate John Wannamaker once remarked, "Half the money I spend on advertising is wasted. I just wish I could identify which half."

And cold calls, though when all is said and done DO work, they usually succeed only after an exceptionally high volume of calls, with the good leads requiring many follow-ups and harder selling jobs than most of us mere mortal consultants would care to endure.

So what marketing approach is truly worth your time, effort and expense?

Here's a three-step approach:

- **Relationship Management** - Spend 40% of your rainmaking efforts interacting with real people. Attend events of professional groups populated by your natural market, network with likely prospects you meet there, set up alliances with "influencers," i.e., professionals who would not actually employ you but regularly interact with those who would, remember that relationships mean ongoing contact, so don't forget to find ways to keep reminding your contacts that you're still around (and available for hire!). Recommended reading: *Powerskills: Building Top-Minded Relationships for Bottom-Line Results* by Jim Masciarelli (Nimbus Press).
- **Thoughtleading** - To truly stand out from the crowd, become a leading thinker in your area. Publish articles or even a book, speak before professional groups (of all kinds), conduct a survey from time to time on a vexing issue in your target industry and publicize the results, develop provocative ideas. Business editors and meeting planners are eager to hear from all of us on topics relevant to their readership or event attendees, so pitch your article ideas and speaking topics on a regular basis and watch yourself emerge as an industry "thought leader." Since few (if any) of your competition will be doing the same, you will rise above the crowd almost by default.

- **Creative Use of the Internet -**
Promote your articles, speaking gigs, services, survey results, provocative ideas over the Internet. Send out news releases via such outlets as Business Wire, create an e-list of your contacts and regularly send an e-newsletter and/or short messages, linking all such epromos to your website. This drives traffic there, increasing your odds for new business.

**Question #4:
How's Your Attitude?**

It's been said many times that the Chinese have the same word/symbol for both "crisis" and "opportunity." With this in mind, such crises as losing clients, slow economic times, industry dilemmas should be viewed as opportunities-in-the-making. The various Enron ethics scandal of the last few years prompted Dan Cassidy FSA, an employee benefits consultant (his value prop), to publish articles in business journals

on why Boards of Directors should get directly involved in evaluating the implications of their company's current pension plan, and proposing or monitoring changes (when they occur) to pension plan formulas.

A second point as regards attitude is the matter of cost-cutting, especially in tough times. Most companies cut back their marketing efforts first, or stop investing in knowledge growth. At times when new business needs to be found, promotion and thought leadership represent the most critical areas for you to be sure you keep going! Take care then in what you cut and what you continue to invest in.

Finally, your attitude about what you can achieve and how it will improve your life and personal well-being must remain sharp and brimming with health. Are you taking vacations? Are you spending fun time with your family? Do you still have any friends? Do you read

not-financial books or articles, go see deliciously banal movies, get downright wacky every once in a while, letting go your professional cloak?

These sorts of actions are mandatory if you are to keep your perspective in balance, your mind sharp and your energy high. Burnout occurs when we begin feeling we have no control over our work, that each day is yet another endless stream of mindnumbing tasks that others are expecting you to fulfill. Burnout leads to failure, which leads to more burnout, a terrifying loop.

The secret to your consulting success will thus be found in getting away from it on a regular basis and experiencing that non-consulting you. By paying attention to this fifth "bonus" question, all the rest will fall into place and consulting success will be yours, today, tomorrow and throughout each year.