

GETTING STARTED IN CONSULTING

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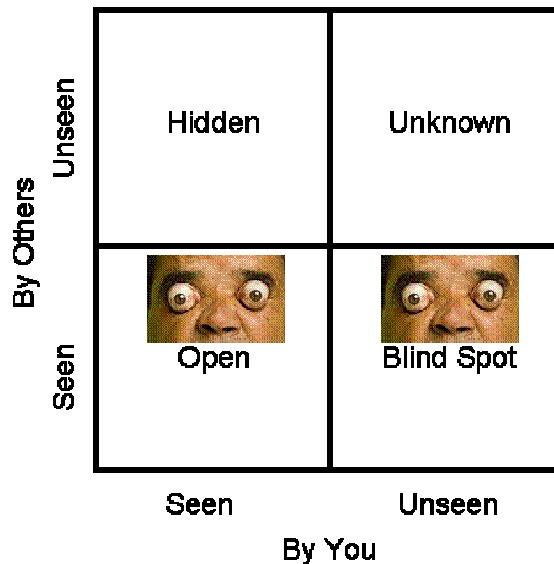
Please see the accompanying PowerPoint presentation at:

<http://www.seeta.com/documents/0906PradeepAnandGettingStartedinConsulting.pdf>

At the outset, I must thank TiE Houston for inviting me to speak at this “Be Your Own Boss” workshop today. I am honored to be here.

When Hubert called me and asked me if I could speak at this workshop, he told me, “You are one of the best at marketing your consulting practice.” I initially assumed that he was pandering my ego but then I realized that Hubert is a good friend and he wouldn’t do that. He would have shared with me some brutal facts about my marketing expertise and shattered my ego.

However, the fact that he used that line to urge me to speak at this workshop made me realize once again how important external manifestations are to a business. We are driven by what we can see but my focus today will be to share with you a few of the hidden facets of starting your own consulting practice.



My consulting business has its external manifestation but the reality is that any consulting business has many distinct components. They are not individual pieces strewn around and connected externally, like a network. Instead, these components are nested in each other and are an integrated whole, like Russian dolls. Except, in this case, all pieces are essential for the success of your consulting enterprise.



I am going to walk through these components, drawing upon my own experiences as well as those of a few friends in the business, with the hope that this will help you at least in some small way.

At the core are *values*. As Hubert had mentioned in his introduction, I started my practice after more than a dozen years of commercializing new technologies in the oil & gas industry. However, in 1991, there was a small change in my life. My wife and I were blessed with a delightful daughter and, when she was about two-years-old, I had this epiphany that I needed to spend more time at home and lead a more balanced life. Taking technologies to market is hard work and time consuming. With a new addition to our family, I could feel that my personal and professional priorities pulling me apart like two wild horses tied to each arm and pulling me in opposite directions. The term *Koyaanisqatsi*, a Hopi term for “life out of balance”, constantly came to mind. I was searching for a way to bring balance back into my life.

At that time, I read “The Consultant’s Calling” by Geoffrey Bellman and it struck a significant chord that resonated very strongly. I decided to live life on my terms, a life in balance—my first “value driver.”

The second “value driver” was integrity. I could not get myself to work for a corporation but not give it a hundred percent of my efforts. I knew that I could slack off and coast on my laurels for a long while but it went against my moral grain.

Therefore, in 1994, I hung a shingle, a virtual nameplate, and called myself a consultant. My wife thought that I was crazy. She was very nervous about my venture, especially when I told her that I did not expect any income for two years or so. Sujata married me and came to the United States from Bombay in 1990. Four years later, there’s

a three-year-old baby at home and her husband tells her that he is going to be without income for two years—any wife would be nervous. Luckily, I got my first client in less than two months. My wife has been breathing easy since then.

The second key ingredient for success in consulting is *expertise*. I had already worked a dozen years in the United States and, prior to that, for a few years in India. I had a track record of successes in my career. In other words, I possessed credible expertise in accelerating business growth in a recessionary market.

During tough times, my expertise is invaluable to firms. Customers seek consultants to create change and you can create that change only when you have deep expertise and experience in your domain. Though my experience was mostly in taking new technologies to market, when I started, I decided to apply my processes, experiences and knowledge to mature businesses. Why? Because, there are many more mature businesses that need my expertise than there are startups and new technologies. It also has something to do with my first *customers*, the third component.

My first clients were my former employers. My first client was Baroid Corporation, the parent of Sperry-Sun, where I had worked before. It was a small project but it got me started. A week later, I got a call from my former boss who had moved out of the oilfield to a forty-year-old firm in the petrochemical industry. He was in a dilemma. His VP of International Sales wanted him to spend several million dollars in establishing an office in Singapore to service the eastern hemisphere, since a majority of the revenues in his business came from that part of the world.

My second client promised me a day's worth of consulting work and invited me to Tulsa, OK, to sit in a meeting and listen to the justifications for this new office location. I listened until after lunch when I was asked for my opinion about the analysis and rationalization. On the surface, everything seemed perfectly reasonable.

When I queried the team in the room about the market by locations and types of firms, the numbers did add up. Truly, a significant part of global revenues came from the eastern hemisphere. However, when I asked the question, "Where's the beef? Where's the margin?" we discovered that almost eighty percent of the margin was within eight-hundred miles of Tulsa, OK. It was in the replacement business.

My client and former boss asked me stay over for an additional day, when we discussed the competition in this replacement market. Two firms controlled eighty percent of the business; my client had less than one percent of the market. Moreover, these competitors took almost fifty weeks to deliver replacement equipment. After a discussion about customer imperatives, we decided that we would strive to deliver in a week and strike at this Achilles heel of our competition.

A year later, we changed the rules in the market, delivered in about ten days and then clandestinely, under the radar, reached our target customers, promising them equipment "on time or its free!" The results were spectacular.

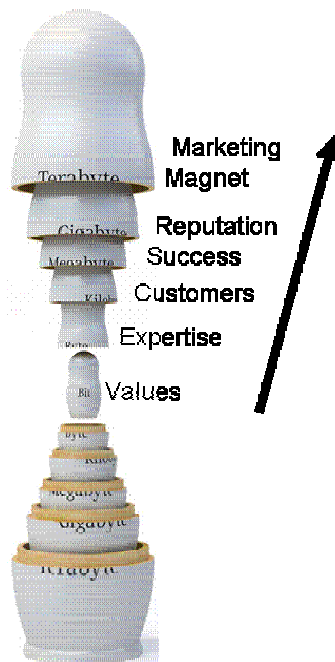
This firm was a division within a larger corporation and my reputation spread within the other divisions. In a short while, I was working with many other divisions, all mature businesses in a variety of engineering and manufacturing industries. Yes, I was successful at those divisions too. This firm has been my steadfast core customer since 1994.

Success is the fourth component. The nice thing about having a *core value* of balance is that when success comes around, you are able to *avoid hubris*. We have a tendency to attribute our successes to ourselves. A little introspection helped me discover the reasons for my success. A few of them were:

1. I worked with frontline, customer-facing employees of the firm
2. They represented a cross-section of the firm, not just senior management.
3. Cumulatively, they knew their markets and competition with a high degree of confidence.
4. I had a process of unraveling the market into its bits that could be reconstituted to our competitive advantage
5. My process and content led to “AHA!” moments that coalesced this team.
6. When this team picked its winning path, they were the best change agents an organization would want to accomplish quick results.
7. I was just a catalyst who made all this happen. The results were delivered by the organization.

Delving deeper into my successes helped keep me levelheaded. This deep dive also helped me select clients who are seeded for success. Only successful customers contribute to your success, so pre-selecting them improves your chances of success and your *reputation*, the fifth component.

A consultant’s reputation is the badge of honor we wear to work every day, which in turn is intimate with the *marketing magnet*, which is the sixth component. I use the term marketing magnet because the term “marketing” is commonly associated with “pushing” your product or service. The Marketing Magnet, like a real magnet, creates “pull”. More details later.



To recap, the six key components of a consulting practice are:

1. *Values*. I shared with you my values but you could have very different ones. You may be driven entirely by the urge to be successful, make lots of money, or simply pay your bills. Your values are your values; please stay true to them.
2. *Expertise*: When customers consult with you, they seek your expertise in bringing about change. My expertise happens to be in helping organizations rediscover their markets, reinvent themselves, and effecting that change swiftly and for the long term. That is the silver bullet of this Lone Ranger.
3. *Customers*: Your first customers are people who know you.
4. *Success*: Make these first customers successful and others will follow.
5. *Reputation*: This creates a reputation or that commonly overused term, “brand”, for you.
6. *Marketing Magnet*: This creates a “pull” for your services.

All six components are part of your growth engine. For example, every interaction with your customers adds to your expertise. Of course, you have to be a *constant learner*. It is another one of my core values.

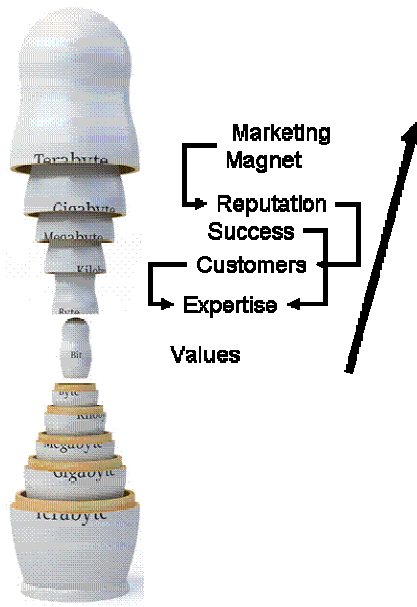
I am a constant learner, working incessantly at improving my knowledge and expertise. I call it a value rather than a skill because I was fortunately made that way, genetically and by my environment. I come from a family of constant learners.

However, for the sake of your business growth, you should be a constant learner and have that edge over your competition, which includes internal resources at a firm. We have successes and failures; both contribute to your expertise. Being introspective and recognizing what went right and what went wrong, will contribute immensely to your expertise.

In addition, expertise is a combination of skills and craft. Initially, you will be all skills and little craft but with each engagement and practice, you develop the craft of your consulting practice. It takes a while but you will eventually get there. If you are a constant learner, your craft will come to you intuitively. Successes without hubris will take you across that fine line between skills and craft.

Successes also contribute to your reputation, which brings you new customers, which contribute to your successes and expertise, and to your skills and craft.

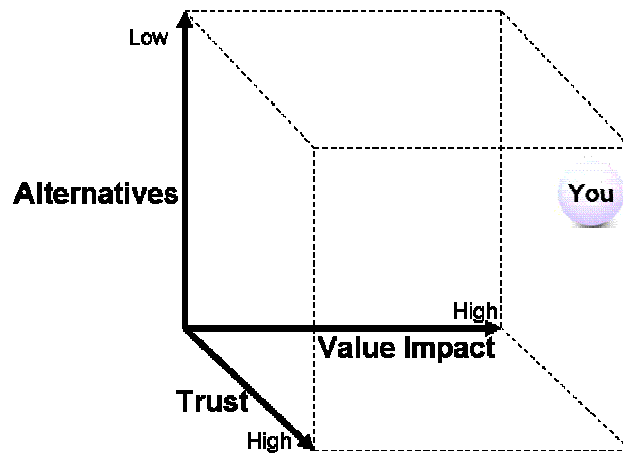
Finally, your marketing magnet adds a veneer to your reputation, which cascades into the other components of your consulting business. Done right, your consulting business can be a perpetual growth engine, if you want it to be one.



However, before we let our imagination go ahead of reality, let me add clarity to why a firm will hire you. Customers will hire you because:

1. You can deliver value to the firm.
2. They trust you. Customers face immense risk in bringing an outsider into the firm. Therefore, “trustworthiness” is usually high on their evaluation criteria.
3. There are no alternatives to you.

Why a Firm Will Hire You



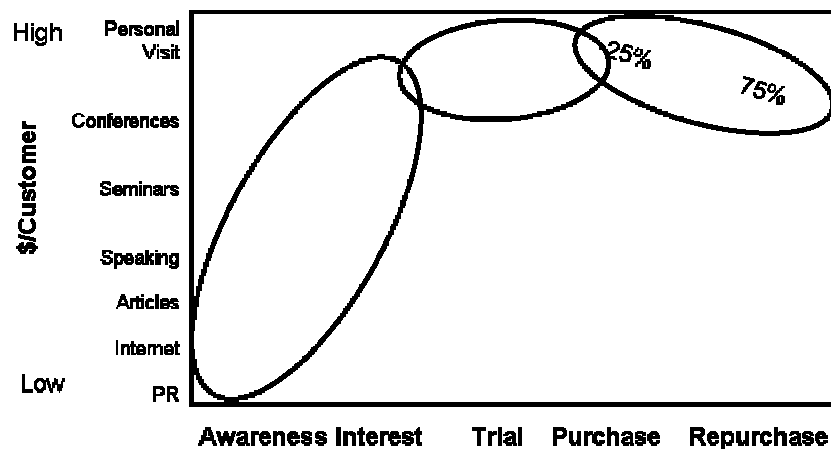
Your first client will be someone who knows you. To that person, a known entity that can reliably deliver value is far superior to an unknown or less-known one. This reduces your competition significantly.

(I have talked about value many times so far but I must stop and remind you that value is equal to benefits minus cost (Value=Benefits-Cost). The term “value” is used so often in such misguided ways that the original intent of the term has been lost.)

These three dimensions and their principles become the essence of your marketing magnet. There are always competitors to consultants; recognize them. Learn to position your practice uniquely from your competition, focusing on your value—expertise, processes, successes—and trustworthiness, which are conveyed through your clients and their testimonials.

Customers have a buying cycle. First, they have to be aware of you, then, get interested in what you do, try you in some small way, purchase your services, and then get into a repurchasing cycle.

However, different marketing tools are appropriate for different phases. Some are more expensive than others in reaching your intended, targeted customers. The figure below highlights some of the marketing alternatives and their use in specific phases of the buying process. Personal visits are the most expensive alternative and should be used judiciously, for the final phases of a sale.



The Internet and supporting technologies are critical for the creation of your marketing magnet. Web sites are convenient for conveying your expertise, processes, and successes, and your trustworthiness via clients and their testimonials.

My web site, www.seeta.com, highlights the focus of my consulting business: Catalyzing Business Growth since 1994. Sustainable Revenue Growth. Enriched Margins. FAST.

I also include my clients, and content from my speaking engagements and my published articles. All these on the front page. My clients do not discover me on the web. They visit my web site to know more about me and my work.

The web site is also a great repository of my articles and presentations. I have quick access to them from my clients’ offices, anywhere in the world. To employees of new client organizations these also offer some familiarity with my work and me. They also contribute to a general awareness of my consulting practice and me.

About twenty thousand copies of my articles were downloaded in 2008; in the first five months of 2009, more than ten thousand documents have been downloaded.

To summarize:

1. Consulting has several core components that are integral to each other and contribute to each other's strength.
2. Your first clients will be someone who knows you and trusts that you will deliver value
3. Your marketing magnet should create "pull" for your services, just like it got me an invitation to speak to you.

In conclusion, I must share with you the reason why I accepted this invitation: it appealed to a core value, of helping others. I appreciate you taking the time to listen to me. Thank you. I would be delighted to answer questions.