

# How to Get Started in Consulting

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I have read many of the widely available books and articles on consulting. Some of the advice is good, some of the advice is bad, some of it is very risky, and some of it is just plain silly. In this special report, I will attempt to separate the good, the bad, the very risky, and the silly.

I have had the opportunity to work as a consultant for one the largest international management consulting firms. I have had the opportunity to work in partnerships and collaborations with some of the leading consultants in the world. I have had the opportunity to work as an independent consultant (sole practitioner) with leading Fortune 500 executives as my clients. And, I have had the opportunity to work as a senior executive in corporate America, which gives me some insight into the consulting relationship "from the other side of the table."

In this special report, I am not going to share what is "true," I am going to share what is "true for me." Whenever I am speaking to a group, large or small, about consulting success I always make that distinction. What works for me in my consulting business may not be appropriate in your consulting model. We each have unique talents and skills. Your business model should be built upon your unique talents and skills (and, of course, the uniqueness of your clients). If you only apply a fraction of what I share in this report, you should be wildly successful if you build upon your unique talents and skills.

## Funding Your New Consulting Business

One popular consultant/author recommends borrowing one year's worth of income. He suggests home equity loans, non-retirement savings, retirement savings, credit lines, and even credit cards to fund the first year of your consulting business. This is very risky advice.

Borrowing to fund your first year of operations, while easy to do, is too risky. Let me be blunt: Most people who start a consulting business fail. If you borrow one year's worth of income and fail, you could spend the remainder of your life paying off your debt. There's a better way.

Most new consultants have the "content" knowledge to succeed (accounting, strategic planning, team building, compensation, or supply chain management), which they have obtained over years of practice with previous employers. What the failures lack is the consulting "process" knowledge ("how" to succeed as a consultant). But, never fear, that's the purpose of this special report and websites like [www.YourConsultingSuccess.com](http://www.YourConsultingSuccess.com).

#### Borrowing vs. "Anchoring"

Let's get back to funding the start-up phase of your consulting business. Some short-term debt is okay. For example, if you are waiting on a payment for services you have already rendered, you may feel free to take money from your credit line to pay some current expenses.

But, the start-up phase is not a time for you to fool yourself. Borrowed money is not your money; borrowed funds should never be confused with income.

I started my career as a CPA; and I was always amazed at how many intelligent business people confused cash flow (of any type) with income. Cash flow from operations (services and product sales) is income. Cash flow from borrowed funds (e.g., loans, bonds, advances, credit cards) is not income. Cash flow from borrowed funds must be repaid, typically with interest.

Borrowing large sums of money can give you a false sense of security. I have watched new consultants wishfully believing some mysterious source of business would soon materialize. But then, they suddenly panic when they see the borrowed funds running out. Don't let this happen to you. Be sober about how well you are doing. If you are not generating income you are not self-employed, you are unemployed.

Okay, that's enough "harsh reality." Let's look at what you should do to get started.

When somebody is telling me about quitting his or her "day job" to start a consulting business with borrowed funds, I suggest what I call "anchoring" instead. Anchoring involves one or more "anchor clients." An anchor client is a client that pays you enough to cover your living expenses (this could be \$30,000, or \$50,000, or more depending on your lifestyle). You may not live well on the income from one anchor client, but you'll have enough income to survive until you can acquire more clients.

An anchor client may be a former employer who will engage you to work for him or her part-time or on a project basis. The most successful consultants I know have two or three (or even four) anchor clients.

Eating is one of the obvious benefits of an anchor client. You don't want to starve to death before you've built up client list. Keep in mind, it will probably take three to seven years to build a lucrative consulting practice.

Another critically important benefit of anchor clients can be seen when you are talking with "prospects." Prospects are potential clients for your consulting services. If a prospect suspects that you are hungry, he or she will either not hire you or will beat you down on your fee. I was a victim of this early in my career. Keep in mind, that "margin" (the amount you make on each engagement) is more important than "volume" (how many engagements you work on). You are not looking for "more work." There is always more than enough work. You are looking for profitable client relationships.

In summary, to get into the consulting business, get an anchor client. Until you have an anchor client, don't quit your day job. (Of course, if you have wealthy parents or a spouse who "brings home the bacon," you can ignore the first section of this report. I never had that luxury.)

### Know Thyself

Thousands of years ago, the Oracle of Delphi recommended, "know thyself." That is still great advice in the twenty-first century. Everyone is not "cut-out" to be an independent consultant. The talents and temperament required to succeed as an executive are very different from that required to succeed as an independent consultant.

The Anglo-American exhortation that you can be "anything you want to be" is foolish advice (albeit inspiring for Hollywood screen writers). In a highly competitive world, you do not want to go toe-to-toe and head-to-head with competitors who possess the required talents and temperament that you lack.

To the Oracle's advice of "know thyself," I would add "find thy niche."

### Talent vs. Skill

Please do not ever confuse talents with skills. People who confuse the two live lives of frustration and disappointment.

Talents are what you were born with. Each one of us has a unique combination of talents. You didn't choose your talents. You can develop your talents, but you can't ever choose a different set. This realization is critical to your success in any field.

You can't exchange your unique set of talents for another set. The important question I have is "why would you want to?" You are unique. Why become a second-rate imitation of somebody else, when you can become a world-class you! (We'll talk about how to determine your unique combination of talents in a moment.)

While talents are innate ("gifts" if you prefer), skills can be learned. Talents are the necessary, but not sufficient, requirements for success. You may have been born with the innate talents of a great scientist (high IQ, an inquisitive mind, and analytical ability), but you still must have the motivation and opportunity to learn from the great scientific minds of the world (through books, classes, mentoring, work experience, etc.).

Clearly, you should determine your talents before you look into skills development (classes, workshops, etc.). Let me share two real-world examples to illustrate this critical distinction.

Back in 1973, I had the opportunity to compete in the "Teenage Mr. America" bodybuilding contest. I had won some bodybuilding contests on the east coast, which qualified me to compete in the national competition. I trained as hard as anybody to win that title.

When I arrived at the contest site in Culver City, California, it was obvious that the title would go to either Joe or Kevin. (It was also obvious that I did not have a prayer on getting into the top ten.)

Joe had a great physique, with the potential to become the next Arnold Schwarzenegger. Kevin was slightly better in every category: arms, chest, back, abs, and legs. Kevin would have won except for one thing that confused the judges. Kevin did not have a right calf.

I am not saying that Kevin's right calf muscle was "underdeveloped." I am saying, "Kevin did not have a right calf muscle." Kevin's right leg from the knee down was only bone and skin. This created a dilemma for the judges.

One of the judging criteria in bodybuilding contests is "balance and symmetry." Based upon this criterion, the judges could not give Kevin the maximum points. Joe won the contest; Kevin took second place.

What would you recommend to Kevin? Train harder? That's obviously not the answer.

Neither Joe nor Kevin chose his calf muscles. In fact, Joe and Kevin had nothing whatsoever to say about the muscles, genetics, and intellect that they were born with. "Unfair," you say? Well, life isn't fair. But, accepting reality is healthier than ignoring it.

Many years later (1988 to be exact), I was teaching an accounting course in an evening program at a local college. After a long day serving as chief financial officer at a

busy bank, I looked forward to helping highly motivated adults develop accounting skills.

It was a pleasure to watch my students' eyes light up as they began to see how it all fit together. But, as I scanned the room for non-verbal feedback, one thing became "painfully" obvious: not all of the eyes in the room were lit up. Some students did not understand what we were talking about.

Since I loved teaching and desired to be a great teacher, I doubled my efforts to improve my teaching methodology. It worked...and it didn't work. I won the best teacher award for the college. But, I also had to accept the fact that no matter what I did (or what anybody else did) some students did not have the analytical talent to understand accounting. "Unfair," you say? Life isn't fair.

Talents play a critical role not only in bodybuilding and accounting, but in every aspect of life. Successful scientists, engineers, sales professionals, artists, musicians, executives, and consultants have developed skills based on their foundation of innate talents.

Talents are the necessary, but not sufficient, requirements for success. Therefore, it's critical that you determine your talents first, and then develop the skills you'll need for success.

I believe you should take every validity-tested assessment you can: Myers-Briggs, FIRO-B, KAI, Campbell Interest and Skills Survey, etc. I realize that sounds self-serving for an executive/professional coach like me to say, but remember: "Self-knowledge is power!"

The best way to determine your innate talents is to read "Now, Discover Your Strengths" by Buckingham and Clifton. The book will give you an access code to take a powerful online assessment.

If you can honestly say, "I have the innate talents to succeed as an independent consultant," (after taking a battery of assessment instruments) read on!

### Finding Prospects

If you don't have clients you are not a consultant, no matter what your business card says.

To be a successful consultant, you must be able to effectively establish and maintain client relationships. All client relationships begin in the prospect stage. Prospects are looking for one thing: value.

A prospect will gladly exchange his/her money if the perceived value received is greater than the cost incurred. It really is that simple. If the perceived value is greater than the cost—they buy. If the perceived value is less than the cost—they don't buy.

Every prospect does the following cost-benefit analysis, either consciously or unconsciously:

cost < benefit = buy

cost > benefit = not buy

Your challenge is to raise the perceived value of your service in the eyes of your prospective client. If a prospect does not become a client, it is because he/she perceives the value of your service as less than the cost. Don't lower your price! Raise your perceived value!

Raising the perceived value is the essence of marketing and sales. You don't need to be a marketing expert to do this. But, you may want to hire a marketing consultant to help put your unique selling proposition (USP) into writing. What is uniquely valuable about you or your service?

Can a prospect acquire what you offer anywhere and anytime? If so, you are a commodity. You don't want to be perceived as a commodity. Commodities are bought and sold solely on the basis of price.

You want to be perceived as a uniquely valuable resource. The higher your perceived value, the higher the fees clients are willing to pay.

Demonstrate Your Value/Give Value First!

Jeffrey Gitomer, the best selling-sales author, taught me the critical concept of "value first." If you know you are valuable, it's good for your confidence. But, confidence alone doesn't do much for your bank account. Your prospects must see you as valuable. Give value first!

You must find the best way(s) to demonstrate your value to prospective clients. For me, it's my free newsletter that I offer on my website. "Strategies and Tools for Greater Effectiveness" provides value on a weekly basis. The purpose of my newsletter is to demonstrate value, not to deliver sales pitches.

The best prospect you'll ever meet is the one who is already "sold" on your value. How do you demonstrate your value? Let me offer a few suggestions.

While I highly recommend a website and a newsletter, you can demonstrate your value in a host of ways:

- write an article for a magazine
- write an article for a trade journal
- write a position paper/white paper for your website
- write a position paper/white paper for someone else's website
- speak to trade/professional associations
- offer a free webinar
- contribute to online forums
- do radio/television interviews
- teach a course at a local college
- do pro bono work for a not-for-profit board

Networking

Networking involves joining and becoming active in two distinctively different types of groups: peer professional groups and prospect/client groups.

If you are a CPA, you should (of course) join your state society of CPAs and the AICPA (American Institute of Certified Public Accountants). If you are a business valuation consultant you should join the Institute of Business Appraisers. If you are any kind of business

consultant you should join the Institute of Management Consultants. These are examples of peer professional groups.

Peer professional groups provide camaraderie, the latest news in the field, lessons learned from your peer's experiences, mentoring relationships, and opportunities for collaboration. Becoming a leader in your peer professional organization will help to establish you as a leader in your field. When the media calls, they want to speak to the leaders.

While you should let everyone in your peer professional group know your particular area of expertise, remember your peers will not become your clients. You need to look to your prospect/client groups for that.

You should join prospect/client associations that specialize in the industries that you serve. If your clients and prospects are in manufacturing, you should join a manufacturers association. Don't be shy. Serve on a committee. Sponsor a coffee break. Get involved!

### Pro Bono Work

As we talked about earlier, it is important to find ways to demonstrate your value to prospects. Getting exposure through pro bono work can be a very effective way to initiate profitable relationships.

Pro bono work, which means you are working for free, obviously must lead to something more than the initial pro bono work itself. Pro bono work might include doing a free speech for a trade association, or doing some free work for a not-for-profit board of directors.

Doing a free speech for a trade or professional association is a great way to demonstrate your value. You will have twenty to fifty minutes (or more) to show off "your stuff." Give value! Don't let your speech deteriorate into a blatant advertisement. If you give real value the audience will want more. Local civic groups (Rotary, Kiwanis, etc.) are always looking for speakers.

Pro bono work for a not-for-profit organization can be an excellent way to demonstrate your value to potential buyers. The goal here is not to get more work from the not-for-profit organization itself. The goal here is to build relationships with the board of directors. The board members of not-for-profits are typically leaders of for-profit business that can afford to hire you.

Personally, I never do pro bono work for profit-making businesses. I will meet with them for lunch (or a brief meeting) to discuss their situation, and then submit a proposal that states my fee. (I'll have more to say about proposals later.)

I have known consultants who have done pro bono work for profit-making businesses for "the exposure." Yes, they got exposure. But, the exposure was negative. They exposed themselves as desperate individuals who will work for little or nothing. People believe they get what they pay for.

### Qualifying Prospects

As I said in the last section, you can't afford to work for free. But, equally important, not everybody who is interested in your service can afford you.

Learning how to qualify prospects is critical to your success in the consulting business. It will save you time and frustration.

Of course, it's always exciting to receive a phone call inquiring about your services. And, of course, you should always be polite and helpful. But, it's unrealistic to believe every caller is a qualified prospect.

Here are some questions you should ask your caller (and why you should ask them):

- How did you hear about me? (You want to know if they are familiar with your work and your fees.)
- Have you used any other consultants on projects like this? (You want to know their previous experiences with consultants, and their expectations about fees.)
- How soon do you hope to start this project? (You want to

- know if this deserves your immediate attention.)
- How important is this project on a scale of 1 to 10? (You want to know how valuable this project is to your prospect.)
  - Who other than yourself will be involved in the final decision? (You want to know who the real buyer is—who has the money?)

Don't turn this into an interrogation. Be polite. Be gracious. And most importantly, be helpful. If you are not right for the prospect, or the prospect cannot afford you, help connect him/her with another qualified consultant.

### Converting Prospects into Clients

Finding qualified prospects is only the first stage in building profitable client relationships. You must be able to convert qualified prospects into paying clients, if you want to succeed in consulting.

### Proposals

Most consultants, especially new ones, use proposals foolishly. You should be proposing an approach to solving a problem, not the solution itself. At this point in the relationship you can't possibly present an appropriate solution. (You must go through an extensive data gathering phase before you can offer any solutions.)

If a prospect ever asks you to propose a solution during the initial meeting, simply say, "It would be unprofessional of me to guess at a solution before doing data gathering and diagnosis." If he or she insists on a proposed solution—move on; he or she is only looking for free advice.

I've made it a policy to never quote a fee during the initial conversation (over the phone or face-to-face) with a prospect. I always tell the client, "Let me go back to my office to prepare a proposal, including my fee, based upon what we have discussed."

By going back to your office you reduce the emotional aspects of your decisions. I have watched "hungry" consultants grossly under-estimate their fees, and then hate themselves (and their clients) after the project has begun. Be sure you are calm and objective when you are making proposals and quoting fees.

Your written proposal (I usually e-mail mine) should summarize everything that was discussed during your initial conversations. I quote my fee at the end of the proposal, after I've listed the benefits. Remember, always establish high value before you quote your fee!

Whenever possible, offer more than one alternative. It's always worth your time to offer a "super-premium" service alternative (one with all the bells and whistles). More than likely the prospect will not accept the super-premium alternative, but it's a great opportunity to make your prospect aware of what you are capable of doing in the future. (Plus, there's always the chance that the prospect can find the extra money for the super-premium service. If you don't ask, you don't get.)

### Establishing Fees

Fees should always be based on value. Clients shouldn't care how much of your time you spend. Clients care about results.

One of the major goals of your initial conversation with a prospect should be to establish the value of the project. Ask the prospect what he/she believes this project will do for the bottom-line. If he/she believes the project is only worth \$500, tell the prospect that hiring a consultant is not worth it.

But, if the prospect believes the project means \$10,000 in revenue enhancement or cost reduction you have a possible profitable client relationship. While the client should not be concerned about your time, you should be. You must estimate your own expenditure of resources (time, energy, and money). Don't worry, you will probably underestimate your expenditures at first, but you'll get better with practice.

Staying with the \$10,000 example, you can quote a fee of \$2,000 or \$3,000. You are the only one who can determine if it's profitable to you. There is no need to tell the prospect how many hours it will take; they shouldn't care.

As you can see, the trick to higher fees is establishing higher value during your initial conversation with the prospect. You can make money on the \$10,000 project above, but you can make much more on a \$100,000 or \$500,000 project. Establishing a high value in the mind of the prospect is critical to your success.

I'd like to say something about win/win relationships. Everybody tells me that he/she believes in win/win relationships. But, I have seen many consultants consistently settle for win/lose situations; the client wins but the consultant makes barely enough money to cover expenses.

Keep in mind, we are not looking for work. We are looking for profitable win/win relationships. If you have established high value for the project and the prospect still refuses to pay you a profitable amount—move on! There are better ways to spend (invest) your time. (I will share better ways to "invest" your time a bit later.)

A silly concept that you should ignore is "fee integrity." This nonsense is making the rounds in even the most reputable peer professional organizations. The concept states that it's only "fair" to charge everybody the same thing. The problem with that thinking is that every situation is different. Never forget you should always base your fee on value delivered. If I'm asked to do a keynote speech for 500 rather than 50 attendees, I do not charge the same fee.

### Your Practice Skills

Well-developed practice skills are critical to your success because they lead to repeat business and referrals. The importance of repeat business and referrals cannot be over-estimated. It is almost impossible to keep your business pipeline full with only new clients. Thus, you must master consulting practice skills.

But, since consulting practice is beyond the scope of a report on "getting started" in consulting, I'll limit my comments here. There are basically three approaches to consulting practice: the expert model, the doctor/patient model, and the process consulting model. I use the process consulting approach because it allows me to provide a wide range of services to a single client. But, you must determine which consulting approach is most appropriate for your skills, knowledge, and client issues.

For a detailed guide to consulting practice get a copy of the special report entitled "Intro to Process Consulting," which is available on [www.YourConsultingSuccess.com](http://www.YourConsultingSuccess.com).

### Multiple Streams of Income

When I speak to consulting groups about multiple streams of income (books, e-books, special reports, professional speaking, workshops, etc.) some of the new consultants don't take me seriously--at first.

Many new consultants believe they must have decades of experience before they can do anything other than consulting by-the-hour. Not true!

I have given many speeches about re-packaging consulting knowledge for multiple streams of income. After every speech somebody comes up to me and says, "Mike, I should have thought of this years ago." From the very beginning of your consulting career, you should be thinking about multiple streams of income.

You became a consultant because you have knowledge that people are willing to pay for. I am simply recommending that you sell it in a variety of different packages. Which of the following packages would be attractive ways for clients to buy your knowledge?

- consulting
- workshops
- meeting facilitation
- professional speaking

- books
- e-books
- special reports
- newsletters
- audios
- videos

All of these may not be appropriate for your particular business model. But, I refuse to believe that your knowledge can only be packaged one way.

### Consulting vs. Training

Don't restrict yourself with self-limiting titles such as consultant or trainer. You can easily make yourself available to do both. If your knowledge is packaged for consulting (interview guides, checklists, worksheets, etc.), think about re-packaging it into a half-day workshop (or a full-day workshop).

If a client hires me for a half-day workshop on changing organizational culture, I immediately start thinking about a follow-up consulting project to diagnose and change the client's particular organizational culture. Obviously, they are already interested in the subject.

Clients naturally think of you only in the role that you are currently in. Successful consultants make sure their clients are aware of the full range of services they offer. You should be constantly on the alert for client needs.

Remember, the easiest sale to make is to a delighted client. Don't wait six months to offer another service; the delight will fade.

### Meeting Facilitation

If you use the process consulting approach to consulting (like I do), meeting facilitation should be a "natural" for you.

As you know, discussions in organizations can become confrontational and contentious. Often two "camps" of

knowledgeable and passionate individuals square off in a meeting that eventually ends in a stalemate. A meeting facilitator does not serve as a judge or decision maker, but as the facilitator of the process.

The meeting facilitator's task is to keep the discussion "on track." There is no need to have content expertise (knowledge about the subject being debated). The meeting facilitator's value is based upon his/her knowledge of effective meeting process.

One of the best ways to facilitate a meeting is by using Edward deBono's Six Thinking Hats. The six different hats allow for the expression of all ideas, thoughts, emotions, and concerns. I keep the six colored hats in my briefcase at all times. If a discussion becomes unproductive, I simply pull out the hats and guide the discussion one hat at a time.

When serving as a meeting facilitator, don't ever be intimidated by your lack of content knowledge about the subject/topic of the meeting. There is plenty of content knowledge already available in the room (the client members already have that). You are the process facilitator—a valuable role.

Several years ago, one of my former students, Chris, called me about some potential work for one of his current clients. His client needed a marketing plan, and wanted Chris to recommend a "leader" for the planning session.

I told Chris that he could "facilitate" it. Chris was doubtful; he said, "I don't know anything about marketing." But, his client was sure he could handle it. Chris had successfully facilitated the client's strategic planning session about a year earlier, and had a great relationship with the client, so I suggested that we facilitate the meeting together.

Chris and I used the Six Thinking Hats and helped align the marketing plan with the strategic plan. The client was delighted. Chris and I split a substantial fee. It was a win/win/win!

### Professional Speaking

As a consultant, you may not think of yourself as a professional speaker. But, as I said earlier, speaking to civic, trade/professional, and other groups is an excellent way to get exposure.

After you've made a few dozens of these pro bono speeches, you'll be a pretty good speaker. Eventually, you'll be asked, "What do you charge for a speech?"

One of the leaders of the National Speakers Association told me he had given 50 to 75 pro bono speeches before anybody asked, "What do you charge for a speech?" Now, he refers to himself as a "full-time speaker" (even though about one-third of his revenue is from product sales).

I'm not necessarily recommending that you become a full-time professional speaker. But, professional speaking can provide a substantial income stream. Plus, you are getting paid to promote yourself and your products!

If you are not comfortable speaking to groups join your local Toastmasters group. After you've made a few professional speeches, you'll be qualified to join the National Speakers Association (NSA). NSA has certainly helped me to take my professional speaking revenues to the next level.

### Books

Books are a great way to generate passive income, and to establish yourself as an authority in your field.

For a blue-collar kid, like me, who was taught "work more hours to make more money," passive income has been a wonderful discovery. Ever since my first book, "Strategic Organizational Change," became available on-line (amazon.com and mikebeitler.com), I have "earned" passive income 24/7. I put the word "earned" in quotes because it's not earned in the blue-collar sense.

A book is a great way to package your knowledge. You only write the book once. After that your work stops, and

your income begins. With no additional work, this passive income stream can last for years.

I must admit, after many years, I am still excited about passive income. Every morning I jump out of bed, run to my computer, and see how many books I sold (around the world) while I was sleeping! Don't you think that's exciting?

Writing a book is also critically important because it establishes you as an expert. Many of my prospects are already "sold" before I walk through the door. In a competitive world, this gives you an edge.

I have mentored new consultants who declare, "I don't know enough to write a book." Not true. If you know enough to be a consultant, you know enough to write a book.

Please don't get carried away here. I am not telling you to write an 800-page academic tome or a New York Times bestseller. Simply write about your knowledge and experiences. By "experiences," I mean you should include your real-life stories. Your experiences (your stories) taught you a lot; allow others to benefit from what you've learned.

One final note about writing books—you don't need a major New York publishing house that's willing to offer you a six-figure advance. There are hundreds of good publishers available. Find one who believes in you, and get started. You can do this!

### e-Books & Special Reports

While e-books and special reports don't do as much for your credibility, they can dramatically increase your income. If people already see you as the person who "wrote the book on the subject," you should now consider packaging more of your knowledge in the forms of e-books and special reports.

While there is no hard rule to distinguish an e-book from a special report, you should be consistent for your readers. An e-book is generally longer with multiple chapters, and sells for a higher price. Special reports can be magazine article length.

Your e-books and special reports should be available on your website, and on the websites of others. Offer other consultants a deal in which they sell your products on their sites, and you sell their products on yours. Be generous with the revenue split. You want happy partners who are glad to give you and your products exposure.

As you can see, you can start generating passive income before you have your own products. All you need to do is find consultants with complementary products and services. It's a win/win/win situation for you, your partner, and your clients.

There is another wonderful advantage to selling e-books and special reports on your website. After you create the product, your cost on each sale is zero. If you sell a special report for \$12.95, your revenue (top line) and net income (bottom line) are both \$12.95. Your cost is zero because your customers download your product to their computers and then print it on their own paper! But, it's still a win/win situation because the customer gets the information instantly.

My e-books and special reports have been a wonderful income stream for me. When it's the middle of the night in North Carolina (and I'm sleeping peacefully), somebody in Asia who needs my knowledge simply buys one of my e-products. His/her money goes directly into my bank account. Making money while you sleep—it doesn't get any easier than that!

### Newsletter

As I said earlier, my e-newsletter, "Strategies and Tools for Greater Effectiveness," is offered for free on my website. I have thousands of subscribers who get a little bit of Mike Beitler every Wednesday. That exposure is profit enough for me, so I offer it for free.

But, you may want to charge for your weekly, bi-weekly, or monthly newsletter. I know several consultants who charge \$295 per year, or more, for their newsletters.

The first step is to decide what the purpose of your newsletter is. Is it primarily for exposure? Is it to build your mailing list? Is it simply a way to stay in touch? Top-of-mind awareness is valuable. If that's what you want, offer it for free.

But, if the purpose of your newsletter is to provide a very high value service, consider charging a very high fee. Is the purpose to keep practitioners "on top" of a rapidly changing field? Is the purpose to synthesize all the latest developments? Is the purpose to identify trends and to extrapolate future opportunities? This sounds like something I'd pay for. Would your clients pay for this?

### Audios & Videos

I must admit, I've been slack in this area. As you probably know, I have audio and video on both of my websites ([www.mikebeitler.com](http://www.mikebeitler.com) and [www.YourConsultingSuccess.com](http://www.YourConsultingSuccess.com)), but I don't currently offer any audios or videos for sale.

If you check out my website six months from now and I still don't have audios and videos for sale, please send me a harshly worded e-mail. A butt-kicking will certainly be in order.

The advantages of audios and videos for customers are obvious. Audios are great in the car. I live in Greensboro, North Carolina (the middle of NC). But, I seem to be constantly on the road to Charlotte, or to Raleigh/Durham (the Research Triangle). I would never leave my driveway without several informational/educational audios.

Videos are very valuable when you want to demonstrate a skill. I have purchased videos on conflict management, negotiation, and how to engage training participants. For complex skills the viewer has the advantage of using the rewind button until the skill is learned.

### Do's and Don'ts

I would like to offer a series of do's and don'ts based on my own experience. But, as I said on page one, these are "true" for me. You decide what works best for your unique business model.

### Don't Advertise

Unless you are a personal injury lawyer, I don't think advertising your professional service makes sense. Advertising in the local newspaper may look like the easy answer to business generation, but it hasn't worked for any consultants I know. I wasted a lot of money on advertising many years ago; my consultant friends are still saying, "I told you so."

There are better ways to spend your money. You could consider binding one of your white paper/special reports into a booklet. And then, you can mail the booklet to prospects. Remember, give value first! A booklet provides value to your prospects—an advertisement does not.

### Office Space

Don't waste money on expensive office space unless it is absolutely necessary. My clients are glad to meet me at their offices; in fact, most prefer it.

Here again, there are better ways to spend your money. If you really want to impress your prospects or clients join a private club. Take him or her to your club for lunch, and then use one of the club's meeting rooms to discuss business. If he or she is still not impressed, change your presentation! But don't spend more money.

Years ago, I had an expensive office in Washington, DC. I had to hire a secretary to serve as gatekeeper. I couldn't get through a single meeting with a client without a salesperson or two interrupting to try to sell me something I didn't need.

### Employees

As a consultant, the worst thing that ever happened to me was becoming a manager. One of the reasons I quit my executive position was managing people!

I left banking to become an independent consultant, with emphasis on "independent." As soon as I hired employees, they wanted to know when I would be in tomorrow morning, why I didn't call the office yesterday afternoon, and when I would be deciding on the health care benefits package. Who was managing whom?

There's an easier way. Actually, there are multiple ways. Outsource as much as possible.

Employees believe employers are responsible for their livelihoods; outsourcing firms or individuals are independent business people like you. They know they are responsible for themselves. They are your "partners," not your "dependents."

If something is not in your area of expertise, outsource it. You can find great quality at competitive prices.

I have a friend who outsourced his newsletter to a writer in India. He simply went to elance.com and hired two writers to write a short article. He liked one writer's style more than the other's. A year later, the writer he favored writes his newsletter at a very reasonable price. His clients are delighted with the newsletter.

For small jobs, you can hire temp workers or college students who have no expectations of becoming your "dependents." For very small jobs, such as going to the post office, licking envelopes, or sweeping the driveway, hire your neighbor's kid!

### Stationery & Image

Don't waste a lot of money of stationery and image. The highest paid consultants in the world have very simple letterhead and envelopes. Your image should be professional, not fancy.

When I was an executive in banking, I never considered a job candidate who mailed us a resume on expensive, fancy paper. You will not be perceived as a professional, if your writing paper looks more appropriate for a wedding invitation. Buy simple, professional stationery.

Dress like your clients. If your clients are executives, like mine are, dress like an executive. You don't want to look like a salesman. Don't wear French cuffs or expensive accessories. Any large department store at the local shopping mall can provide the proper attire.

### Working Internationally

If you are an American who enjoys working overseas, re-think your definition of "well paid." Financially speaking, international work is not very lucrative. I have had a few exceptions where I was extremely well paid; but in general, don't take international assignments because of the money. The time spent traveling is not only unprofitable, it is not very good for health either.

Even with that said, I still go to Germany every summer to work. Why? Because I enjoy my time there. It's a vacation and change of pace that I look forward to. In fact, some of my best friends live in Germany. The beer, the wine, the food, and the conversation are so refreshing. I always come home with a different perspective. You can't put a price tag on a new perspective!

### Your "To Do" List

While every consultant should have a unique business model, there are several things that should be on the "to do" list of every new consultant.

### Self-Promotion & Prospecting

Emerson's old idea, "If you build a better mousetrap, the world will beat a path to your door," is just plain wrong. If you build a better mousetrap, or develop a better

consulting service, and nobody knows about it, you will starve to death.

You must be a self-promoter and prospector. When I hear the word "prospector," I always think of those gold prospectors in the old western movies looking for fertile ground for the next gold nugget. I am not recommending that you buy a pick and shovel, but you should always be looking for "fertile ground."

Early in your consulting career don't expect calls from the media, or publishers, or prospects--no matter how good you are. You must let people know what you can do for them. That means continuous self-promoting and prospecting.

As I said earlier, join peer professional organizations and prospect/client organizations. But, that is not enough. Look for every possible opportunity for self-promoting and prospecting.

Even after you begin working on a large consulting project, don't forget to keep the "pipeline" full. Big projects eventually end; you don't want the cashflow to end too!

### Press Kit & Website

One of the first things you need to do is create a press kit. A press kit is a folder containing promotional materials about your consulting services. Be sure the press kit emphasizes what you can do (and have done) for clients. Prospects don't care where you went to school or how many dogs you own.

Don't spend a lot of money on your press kit. These printed materials will change frequently. Buy the minimum number your printer will run. Don't buy 5,000 copies because you get a "discount."

Personally, I believe the purpose of your press kit is to drive prospects to your website. I'm a bit biased because I've made a lot of money on my website. But, once prospects are on your website, you can sell them a small product. Then, the small product can lead to a sale of a

large back-end product or service, such as an on-line course, or a \$10,000 consulting project.

Ask other consultants who they used to develop their press kits and websites. There are plenty of marketing consultants and website designers available at very reasonable rates. Just be sure to ask for references.

### Collaborations

Don't think of other consultants as competitors, but as collaborators. As an independent consultant, your real competitors are the large consulting firms that offer "everything" under one roof. As independents we typically have a narrow but deep area of expertise. So, to compete against the large firms, you should form alliances with consultants with complimentary knowledge, skills, and services.

Be willing to pay referral fees and to split fees with other consultants. Earning a small percentage of a fee is always better than 100% of nothing!

### Basic Sales Skills

Finally, learn some basic sales skills. No, I do not expect you to become a professional salesperson, but you must be able to "close" the deal. This skill does not require years to acquire. You can learn all you need in a Jeffrey Gitomer book or a Bill Brooks audio.

Get started! And, Best of Luck!

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