

CONSULTANTVUE

How to Create A Lucrative Consulting Business:

Lessons From Top Consultants



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Introduction

It is common knowledge that the consulting industry has grown rapidly in the past decade. Thousands of skilled professionals are using their knowledge to work for businesses or start their own consulting firm. The global consulting industry is currently valued at over \$250 billion and is one of the fastest-growing sectors in the professional services market. But you probably know all this already, right?

With the insane amount of money spent hiring consultants, it is safe to assume that consultants earn significant incomes. However, the numbers say different. As of 2020, the average income of consultants stands at \$75,000 in the United States.

While this number is good enough to live a decent lifestyle in certain parts of Europe and the Americas, many consultants have ambitions to rise above average. Not everyone wants to earn just enough to cover the bills. We take it you're a member of this category. The majority of consultants want to build a scalable business that provides value to clients and attracts the big bucks.

Doctors treat patients. Firemen fight fire outbreaks. Teachers teach. You get the idea. The majority of professions have a concise definition. Most require formal training and have enforceable limitations. A teacher, for example, is required to have a college degree. Cab drivers must have a license. Even your chiropractor must be state-certified before they can take public sessions.

However, these constraints don't apply to a consultant. Anyone from any background can be a consultant. This is both good and bad news – no barrier to entry. While organizations like The Institute of Management Consultants (IMC) have continually tried to establish a standard certification process for many years, it is unlikely that they can do enough to acquire the state rulings that apply to other professions.

The IMC membership is even declining and currently represents less than 1% of professional consultants and less than 0.5% of consultants by name.

Yet, consulting is a career path that has the capacity to improve its practitioner's quality of life and finances compared to professions with a strict qualifying criterion. Quality of life in this regard also extends to the learning curve, diverse experiences, and the ability to provide value to customers that can impact thousands of people.

To get this book properly started, the definition of a consultant is in order. While it is not expected that this definition to be acceptable to everyone, or apply to the niche forever, it encapsulates what a consultant is all about and will serve as the base for the application of the word in subsequent chapters. It showcases what a consultant is and what a consultant definitely is **not**.

Who is a Consultant?

A consultant is an individual that provides value to clients through specialized skills, content, expertise, behavior, or alternative resources to help them improve their business for a specified fee.



A consultant improves the client's status quo.

Consultants can work in an internal capacity –full-time basis – or externally. The latter category applies to a situational basis. These types of situations are flexible, but the majority of them are for a brief period.

A vital part of this definition for consultants who wish to build consulting firms is the idea of providing value to the client that justifies compensation that is higher than their usual business investment. Many consultants have a hard time marketing their skills because they cannot pinpoint their value proposition: How have my services improved the client's business? It is not about the process or input; the most important thing is business results.

Although consulting may involve implementation, execution, or delivering xxx, it is not synonymous with these activities. Many of the employees working for renowned consulting firms like Deloitte, KPMG, and PwC are not consultants at all. Rather, they are facilitators and specialists in technology or transition services, which is the management equivalent of carpenters or plumbers. You read that right – most consultants actually aren't.

The ultimate bridge to competency and application of fresh skills to a project can only be achieved by consulting. There is a long list of training firms that have unsuccessfully tried to transition into consulting and vice versa. While these two disciplines may seem related, they require different skill sets.

Hence even with all the marketing in the world, certain historical training organizations like Forum, Wilson Learning, and many others have achieved little headway as consulting firms (don't be fooled by what it says on their business cards), and renowned consulting companies usually outsource training assignments to others.

The reality is that consultants must provide value to the client. If you are not bringing anything special to the "table", then why should they employ your services? Usually, value-added falls into several categories.

Value-added Categories for Consultants

The value you bring to any organization usually falls into one of these sections:

Content

Content is the most popular consulting value, simply because the majority of people transitioning to consulting are coming from a field they are familiar with. Their experience, relationships, and comfort are within the confines of that field. Examples are textile consultants, packaging consultants, and display consultants, and a variety of other related content professionals. Whatever the niche or pursuit, its content, or details provides the premise for people to consult in it. While content consulting is predominantly the category who are transitioning from “9-5” life to their own firm, it also applies to specialized firms. For example, an expert witness can be a content consultant in a legal case.



Expertise

The majority of consultants possess specific expertise that applies to different industries and applies to multiple working environments. Baxendale is a good case study. Typically, the firm focuses on strategic planning. However, its client base is diverse but they have one common theme: they seek value-added in regards to strategic planning.



Thus, the firm can streamline its approach to different projects.

It doesn't matter what type of firm the client runs, Baxendale can adapt its expertise and solution to any type of organization. Many consultants that try to start their own business after years at a global consulting firm have the expertise required because they have been privy to specific areas of expertise during their time at the company.

If you were wondering, this is not unethical or illegal. Ideas cannot be patented, and all ideas are a regurgitation of some other idea from somewhere else. Your problem-solving skills were actually postulated in Greece thousands of years ago.

Knowledge

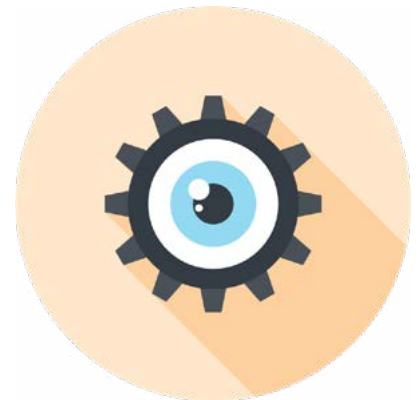
As it is known, knowledge is largely based on experience. Those who have knowledge of a process or concept have witnessed it before. A popular payments company on the global scene recently chose to hire a former PCI compliance assessor because she had extensive knowledge of the compliance requirements that every company in the payment card industry had to qualify for. PCI assessors are regularly hired for such roles.



Generally, knowledge has a wider scope than expertise, just like medicine is a broader discipline than surgery. Also, knowledge includes technical know-how of process rather than content. This means that the consultant is aware of the time management process regardless of content or the decision-making process irrespective of the environment. This action is referred to as process consultation. It includes form and substance.

Special Skills

Certain individuals possess highly-developed, clear-cut skills that are in great demand. These skills can be in form of innate ability or talents. A good example is interior decorators that excel at improving a person’s appearance and showcase a distinct style and outlook. Compare this with enterprise-value specialists, whose approach can be categorized under calculations, analytics, and formulas.



An interior decoration consultant may have zero ideas of the client’s style or have precise knowledge – where to get the best deals on jump skirts or how to arrange a walk-in closet – but they have an eye for creating a unique look.

Consultants with special skills possess a gift that the client doesn’t have or finds very expensive to acquire. “We need a stylist for Mr. George Clooney. Find someone that specializes in the “sharp hipster look.” This sort of look is one George Clooney does not have the time to learn, or perhaps the talent to pull off.

8 Lessons to Strike \$1 Million in Monthly Revenue

The lessons to be discussed below are proven strategies that will help you scale your consulting business to a million-dollar value and more. With that said, let's get right into the thick of it:

Build an offer that is worth paying a premium for

When you start building your consulting brand, it is important to start with cultivating a strong base. This means fine-tuning your value proposition and scaling the mental difficulties that stand in the way of you charging a premium for your service.



“You have to identify the type of value that folks are willing to part money for.”

- In the words of Taylor Welch, the cofounder of Traffic and Funnels, a training firm for consultants

Your value proposition is an important element to understand because it will help you overcome many of the internal issues that are associated with setting high-income goals. This mental turbulence borne of our guilt for wanting to earn a truckload of money is something you have to fight. If you don't feel a little disturbed about wanting money, it might mean your goals are low-level. When you set goals that scare you, then you're ready for the big leagues. It's all mental.

Once you can confidently charge a premium for your consulting services, you don't need a large number of clients to generate high income. Say, you charge clients \$8000 for your services, you can hit the \$1 million mark by onboarding 10 new clients every month at that specific price point.

Secure Repeat Clients

When you have a solid foundation to launch from, set milestones. Say, you hit \$25,000 monthly revenue, your first challenge is not scaling but to keep that income persistent. You don't want your numbers to keep bouncing around, or have a hard time maintaining a consistent batting average.



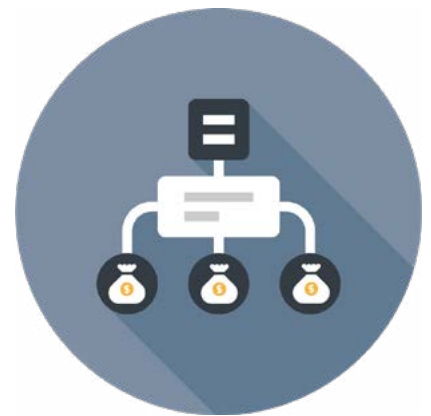
Moving from \$100,000 to \$29,000 and back to \$58,000 in three months is inconsistent and untenable for long-term success. It can be very frustrating if you can't identify what is causing the rise and fall of your revenue. Say hello to digital marketing.

Paid advertising often does the trick for most consulting firms. Agencies like Lightbulb Technologies (cool name, right) do a wonderful job of illuminating your firms' (no pun intended) amidst all the noise on the web.

You can overcome any inconsistencies in your monthly revenue with paid advertising with an agency that specializes in consulting firms. Ideally, this should be a part of your lead generation strategy and will help you regulate your sales pipeline and monthly revenue.

Multiple revenue streams can be interference with your objectives

You can also increase your income, and stop it from fluctuating by focusing on a specific service(s) you want to provide to your clients. Many consulting firms often ply the route of multiple products – eBooks, newsletters, courses – just to diversify their income and attract new prospects.



This is not always beneficial to your business. It is not always about what you offer, sometimes it is about not joining the list of generic consultants who have 100 courses out there.

Say, you introduce paid traffic to your marketing strategy and enjoy a steady revenue stream of \$100,000 for five months, and you decide to start a newsletter subscription at a tidy price of \$50 per month. This is exactly what Traffic and Funnels did, and while the newsletter was a success at first, it eventually brought on unintended consequences.

The team got distracted and the focus on the main product was split. When Taylor and his co-founder, Chris Evans (no, not the actor that plays Captain America in Marvel Movies) refocused their efforts on consulting, their revenue grew to a tidy \$400,000 per month. Some months even cracked the \$500,000 mark.

Invest in your team

They say the hardest milestones are your first \$100,000, \$500,000, and \$1 million. Making it past the \$500,000 barrier can be especially difficult in your journey to building a million-dollar consulting business. This is mostly because most of your challenges will be about capacity – hiring ambitious proven consultants.



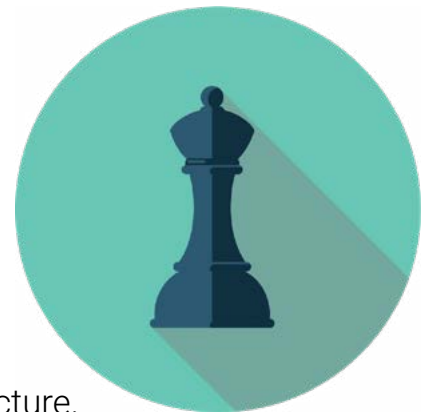
Say, you charge a premium price of \$10,000 for consultations and other backend campaigns. If you have up to 25 or 30 clients per month, you surely cannot deal with them all by yourself. You need to keep the results great without burning out. What good is signing clients when you have to refund in the future? You will crash and burn without the right team around you who can help you scale your business.

Once you have successfully hired new consultants, managing them and getting them to buy into your vision is vital to your success. Most CEOs get it wrong. Maybe you are currently in this position. The secret is to document what didn't work and improve on the good part.

Cultivating a great team does not require you to be a perfectionist or avoid mistakes altogether- it is more about learning from them, and using this experience to improve your application of that knowledge. Made mistakes in January? February will be free from those specific errors because they have been documented.

Branch out from conventional business models

The next stage to focus on after growing a budding team to upgrade your business model. It can be the difference between a struggling and thriving business. The majority of consulting firms have a frontend and backend system for their business but you can do things differently. Experiment with a top-of-funnel, mid-funnel, and bottom-of-funnel infrastructure.



Switching to this model ensures that you can provide appeal to different levels of clients. The top of your funnel is dedicated to "low level" services that can be priced between \$10 to \$5000 but are available to the biggest scope of clients. Mid-funnel offers are tailored to consultative services and should ideally be priced at \$10,000 and above. Your most expensive programs can be significantly higher especially if the project will be for an extended duration.

This approach works best if you and members of your team have expertise in high-level strategy, consulting, content creation, and product management. A diverse set of skills will make it easy for your brand to tackle any challenges on different levels of the sales funnel.

However, this approach is not for every founder or consulting firm. You have to identify what your single greatest contribution to the team is and take it from there.

Monitor your budget

As your business grows, it is vital to monitor the flow of revenue and how you assign profit. It is important to implement a solid system that allows you to reinvest your profit back into your business. Let us give you a breakdown of how our favorite million dollar consulting firm works.



Approximately \$250,000 goes to the payroll and this includes revenue commissions for employees. The goal is to secure at least a 30 percent profit margin after salaries and miscellaneous costs. The firm also has at least a million dollars in cash reserves. Every month, the accounts are withdrawn and profits are channeled into investments. It is a great idea to repurpose your profits into other revenue-producing projects. Your funds should never stay stagnant in the bank.

Get some mentoring

Mentoring is crucial for iteration. Your mentor has to be someone that has been through the same process you're trying to conquer. You can learn and iterate on their mistakes to get to your goal faster than they did. Your mentor can be someone you pay for personal coaching or consulting. Your employees should have mentors too.



Anyone more knowledgeable than you are in a specific area (regardless of their income) is someone you can learn from. Think about it. It's crazy and ironic how you can pay money to learn from someone who has lost money. That way you can acquire the skills and knowledge required to not make the same mistakes.

A lot of people don't understand the information business but it truly is amazing that someone who has filed for bankruptcy years ago and recovered from it can put all their lessons learned, and you'll pay \$10,000 to learn all about it in an online course. It's awesome, to put it lightly.

Don't compromise on the vision

As you get started on your journey towards building a million-dollar consulting business, it is important to reiterate how vital it is to have a vision of what you want to achieve without paying attention to self-doubt or fear.

Fear is primal and while it is a feeling we cannot eliminate, we can combat it and make bold decisions in the face of fear. Nothing can spur you on better than realizing that your destination can be a life-changer.

Vision is the best driver of energy over time. When you go to work every day and think of your goals and you truly believe in your mission, you embody that drive. The science says your brain rewires its pathways to channel electricity based on your affirmations every morning. Go for it.

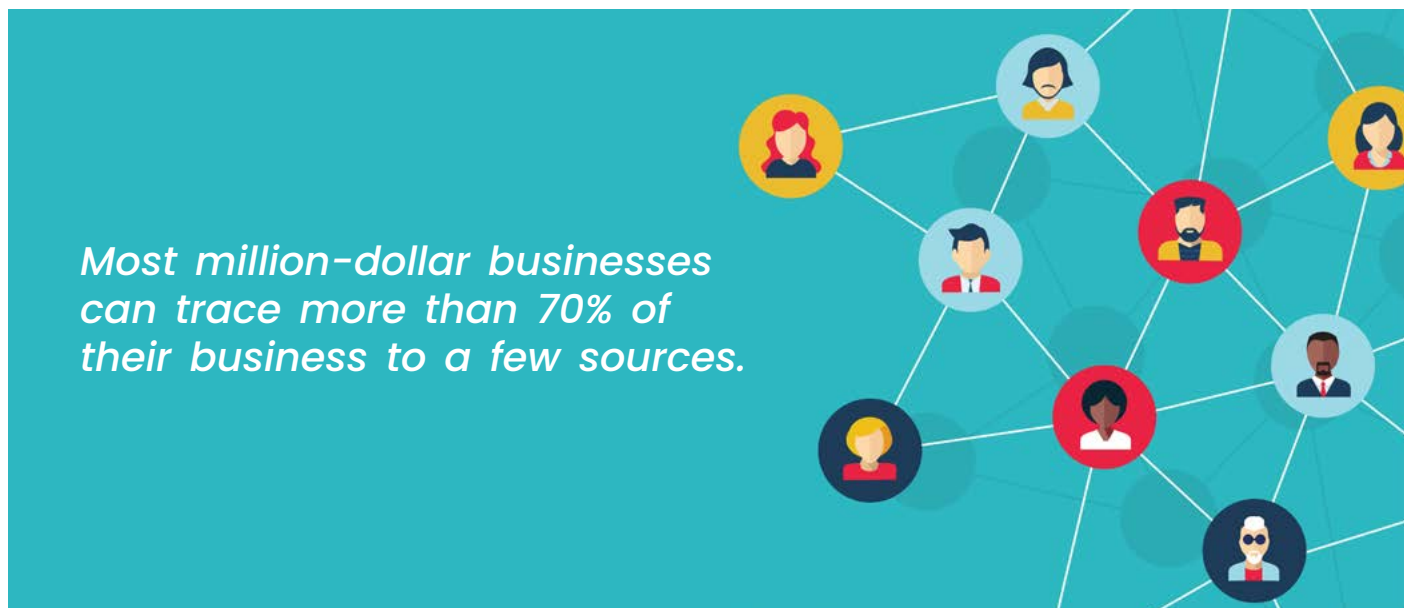


Octopus Marketing and Keepers

However long you have been in the consulting business – as a novice or someone with a credible history of clients – you will need tentacles to “entangle” prospects and get them to commit. A better animal might be the squid since it has 10 arms, and you will need all the reach you can afford.

Most million-dollar businesses can trace more than 70% of their business to a few sources. Some might even be interrelated. In the early days of Lightbulb Technologies, our biggest clients was a remodeling contractor from Tahoma, and a realtor from Miami, both in Florida. We gained awesome opportunities from both clients. The contractor caused not less than 8 referrals that rivaled how much we charged him. The realtor introduced me to his business community who eventually hired me on multiple occasions.

When you consult for these types of companies, word spreads quickly. There’s this story on Glenna Salsbury (professional speaker and consultant) where she mentioned that ALL her business came from a marketing event in 2002. That shows the quality of her marketing.



Every year, try to learn something that can have an immediate positive impact on your business. Is this too great or small an investment? You be the judge. It is not compulsory to learn something every time.

A lot of nuggets can be culled from Alan Weiss's gradual learning approach. He calls the 1% Solution – Instruments For Change. How does this work? If your client improves daily by one percent, the client will be twice as better in 70 days. This applies to everyone. Improvement is not by creating the next Tesla or gaining a cash windfall. It involves the discipline to consistently improve 1% at a time. That is how you build a business with \$1 million.

Some time ago, the team went to a meeting where one of the “notable” speakers seemed dreadful to me. Our company knew introducing him as a referral to a client would probably not end well. However, during the meeting, he mentioned that he always gave clients the option to pay his full speaking fee in advance at a discounted price.

That certainly got our attention. In the consulting business, the management of cash flow is vital. Anyone would happily give a discount if it meant you got all your cash upfront. That is the ultimate commitment from a client. We immediately knew that was our 1%.

Giving clients the option to pay upfront actually works better than expected. Our company has met clients that had policies making it mandatory for them to accept any contract that provides a reduction in charges. You read that right – mandatory.

Additionally, paying in advance benefits the client. There is no risk of cancellation due to changing priorities. Less administrative work sounds better for clients.

Remember that clients will never offer payment in advance unless you request it. Chances are you may get it 50% of the time, so go for it!



Keeper Ideas

When networking, do your best to identify “keepers” at events and business conferences. These are concise, one-sentence ideas that have the potential to maximize your business. Some of our favorite examples are:

- ✓ Never mail proposals. Use courier express for all proposals and confirmations.
- ✓ Don't provide written reports expect if the clients request it.
- ✓ Create a business email domain. Avoid @yahoo, @gmail, @AOL, and the likes
- ✓ Conduct research on a prospect's business before setting up a meeting
- ✓ Have a personal and business email. Giving a client your personal email is a nice touch after sealing the deal.
- ✓ Reach out to prospects and clients intermittently with a proposal. Once every 3 months keeps you in their minds
- ✓ Let the client talk more. People like to hear themselves speak. Let them express their goals and everything in between.
- ✓ Don't worry about getting your answers right. Focus on asking the right questions.
- ✓ Know the company's stock price before any meeting

The above mentioned and similar techniques can work wonders for your business. Every single idea on that list was found by networking, and they are all “keepers.” Single sentences that you can quickly remember, and immediately apply to your business practices.

While it would be easy to mention different organizations and networking activities, that is your prerogative. You must be selective considering all the available options. It is a full-time effort pursuing networks and memberships that you may start to neglect your business. Depending on the stage of your career at the moment, some of the “keepers” mentioned may have a bigger impact than others.

Instead, some activities you can indulge in that cut across different stages of growth, preferences, and so forth will be suggested. We genuinely believe if you stick to the points in the list below, your list of “keepers” will increase and you will make beneficial partnerships.

Keeper Activities

Gain membership to multiple organizations that provide regular meetings and offer opportunities for you to meet and interact with veterans and newbies in the consulting industry. They don't have to be the most popular; what is most important is the culture of the organization.

Stay clear of entities that offer you "initials" such as "Expert Vetted Management Consulting Professional" or charge a \$500 "membership fee." Any smart person knows these are bogus entities. In that same regard, avoid "services" that promise you "30 leads a month" or "all the tools you need to build a consulting operation."

You'll probably get more value for your money at a blackjack table in Las Vegas. Associations like the American Society of Management Consulting provides workshops, conferences, breakfast meeting with industry leaders, videos, books, and a wonderful reference online library. The fees are fair - \$300/yr for regular membership, and it truly provides unmatched to new consultants.

Other organizations you should consider is the National Speakers Association; if public speaking is a vital cog of your business. The American Society for Training and Development is perfect for learning about workplace issues and is inclined towards HR representation and training.

The Institute of Management Consultants is the default association for consultants and can help you network with your target demographic. Trade associations are perfect for meeting different types of clients.

Understandably, being involved with all these associations may prove stressful. Pick two or three you want to commit to, and experiment with memberships until you find one that works for you. The goal is to find one with the best networking and quality "keepers."

Note the difference between contributing and learning. If all you do is contribute without receiving the same value, you are simply doing pro bono work, which is nice, but don't confuse that with networking.

If you don't have notes you can fall back on or contacts you can reach out to, here is some news for you – you're not benefitting. If for some reason, memberships aren't high on your list of priorities, we can bet you don't know the marketing value of this investment or you are have not joined the right organization.

Memberships in the right associations and networking are investments, similar to purchasing office equipment or creating a marketing strategy. It will be unwise to ignore the potential returns on this investment.

Winning Proposals is the Cornerstone of Your Business

When it comes to writing proposals, understand that the most significant factor is the preparation you have done. Proposals hinge on the events leading up to their submissions. What is a proposal? What is not a proposal?

A proposal is:

- A brief of an agreement between you and a client
- A template that details the scope of the proposed project
- A formal contract that protects both parties
- Serves as the reference point for the creation of the project

A proposal is not:

- A document for negotiations
- An amenable contract
- An indicator of client interest

A proposal finalizes an agreement, it is not a starting point. It confirms an agreement between both parties and includes the full scope of expected work. The biggest reason why many proposals fail is the lack of groundwork. Instead of doing all the hard work to set a conceptual agreement with the client, many consultants opt for the easy route and quickly send a proposal.

It's like trying to teach calculus at a Ph.D. level and sending all the course material via mail without any classes to teach the students. You can expect students to drop out of the course with alarming speed.

Before you submit a proposal, there are certain steps you must take to solidify your chance of acceptance. Currently, we have an 85% record for all proposals sent. Admittedly, we submit far less than the average firm.

Crafting a winning proposal

- ① **Get to the boss:** If you are not in direct contact with the client, nothing else matters. Sending proposals to recruiters may as well be thrown in the bin. Don't waste valuable time. Find who can cut a check for what you're worth, even if take you a while.
- ② **Cultivate a genuine, transparent relationship with the client:** Do great work and be transparent about your history, until you can speak candidly with the client. Then, you have the leverage to push back until the client is willing to share his experiences and expectations. Be a listener. The interview is not about you. Even though these relationships can click instantly, they may require a bit of time to yield results. Patience is a good virtue when developing a superb proposal.
- ③ **Set goals for the proposed project:** Your objectives should be business-inclined (not deliverables, methodology, or your tasks). You can achieve this by asking important questions such as:

- What is the expectation for the result?
- What are 3 things you expect to be accomplished at the end of the project?
- What aspect of this project do you want an improvement on the most?


A proposal is the finalization of a prior conceptual agreement with a client. When you understand this, you will be more intentional about how you create a proposal.

- ④ **Establish metrics:** There are certain yardsticks to measure the success of a project, and your role in that success. Ask specific questions like:
 - How will I know that these milestones have been achieved?
 - What metrics will you use to confirm that we are on the right track?
 - What is the minimum requirement? What range of improvement are you aiming for?
 - What metrics do you currently use that I can incorporate?
 - What metrics that are tailored to these projects should be built?
- ⑤ **Showcase your value to the client's business:** This is a vital nuance in focusing on your worth and not on payment and further demonstrating your value to the organization in the short and long term. Ask questions like:
 - What is this worth in the long term for your organization?
 - What is the ROI for you and your brand?
 - How much improvement do you expect to deem this a successful project?
 - Quantitatively, what does this represent? (market share, retention, sales, profit)
 - Qualitatively, what does this represent? (Convenience, health, popularity).

- ⑥ **Provide options and explain them:** When you suggest that your proposal contains alternative options to execute the project, you are letting the client know that there are multiple value packages available at differing levels. Subconsciously, you are pushing the client's mindset from "Should I use John?" to "How should I use John?" That is a critical tool to possess.
- ⑦ **Switch your focus from output and procedures:** The client is an expert in real estate or automobiles. You wouldn't dare insult their intelligence by suggesting how to sell a flat or how to change a fuel injection system. Your niche is consulting. Your client wouldn't presume to teach you about audits, evaluations, focus groups, and the likes. You may mention it (We intend to use surveys and focus groups to....") but never go into details of your process ("We will start with a survey on administrative employees, and use six focus groups to interview half of your customers....") No!
- ⑧ **Play the waiting game:** Clients generally try to pressure you to name a price at a meeting. If you're pressed on this matter, tell the clients your office will send all the details including all available options to their desk in 24 hours. They don't need to know your price that same afternoon.

Your goal should be to center the conversation on the value you provide, while you leave any discussion about fees to the proposal. Premature conversations will only cause objections like "That's more than our expected budget." Or "Let's see what happens in the next quarter."

- ⑨ **Mention that your proposal will be delivered via courier express within the fastest time frame:** Make this an integrated process. Tell the client the proposal will be delivered overnight. If you want more time to draft your proposal, promise a 48 hour turnaround period. However, it is vital to note that the more time passes, the likelier they bail on you.
- ⑩ **Propose a specific follow-up date:** Typically, your conversations should go like this: "If I send over the proposal tomorrow. I intend to hop on a call with you in two days. Or would you prefer that we talk that same day? I can also come by your office if that's easier for you." (Remember the choice of yeses?). Don't place yourself in an ambiguous position where the client may miss your appointment or avoid your call they weren't expecting.



At ConsultantVue, our goal is to help every business we partner hit smash their ceiling and grow exponentially. We want to help you achieve your goals. With that said, the concepts discussed in this book are guaranteed to improve your work culture, revenue, and clientele. Be consistent with your efforts, network right, and center the conversation on the value you provide.