

How to Build a Successful CONSULTING PRACTICE

Turned upside down and inside out, the landscape of corporate America has changed for ever — government too by the way. Cutting costs, doing more with less, redesigning the organization are standard operating procedures in today's challenging environment. Everything that was safe and sacred just a decade ago, is anything but that today.

Here are some proactive approaches to those challenges.

— "Mastering Change in the Midst of Chaos" by Larry L. Nelson





How to Build a **SUCCESSFUL CONSULTING PRACTICE™**

Resource Guide

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Prepared for:

Name: _____

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City: _____ State: _____ Zip: _____

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"The question is not who you were, but who you are and who you will be."



Integrating the Classics in Cyberspace

**TRAINING TRENDS
LEARNING PORTAL**

Specialists in:

- *Convergent Learning*
- *Increasing Profits and Productivity*
- *Mastering Change in the Midst of Chaos*

Welcome,

We are delighted that you decided to participate in this program. Here are a few tips to help you get the most from this session.

1. **Decide** what you would like to be able to do as a result of your involvement in this program.
2. **Really participate.** Ask questions, share ideas and listen to what others say.
3. **Meet other people.** Sit with people you don't know and get to know them. Networking is an extra benefit.
4. **Take good notes.** Make full use of your Resource Guide. Writing down ideas, key points and commitments will prove to be a great resource in the future.
5. **Take the "I can" attitude.** Look for reasons and ways to apply ideas and concepts. Reject the "I can't do it" attitude. Don't look for reasons to justify a lack of action.
6. **Relax and enjoy yourself.** Forget about what's happening in your organization. You'll be able to concentrate better, and as a result, you'll get more out of the session.
7. **Don't procrastinate!** Apply as many of the ideas as possible within 24 hours. Make the ideas work for you – now!

Best regards,

Larry L. Nelson

P.S. **Share** the key thoughts and ideas with your team.
It will help multiply the benefits of your participation.

How to Build a Successful CONSULTING PRACTICE

by Larry L. Nelson

- 1. How to identify consulting opportunities**
 - a. Specific skills or technical assistance
 - b. Converting contacts into contracts

- 2. How to build a professional reputation**
 - a. Effective exposure by teaching or lecturing
 - b. Long-term exposure by publishing

- 3. Probing skills for the consultant**
 - a. Asking the right questions
 - b. Locating their "hot buttons"

- 4. How to develop the consulting action plan**
 - a. Creating your own demand
 - b. Insuring an equitable arrangement

- 5. How to price your services without giving them away**
 - a. Determining your fee
 - b. Quality, quantity, contracts and retainers

- 6. How to maintain the valuable client relationship**
 - a. Building long-term relationships
 - b. Compliment the client's abilities

- 7. How to build professional relationships with other consultants**
 - a. Being professional is more than an image
 - b. Developing valuable support groups

- 8. Other consulting considerations**
 - a. Advantages and disadvantages of partnerships
 - b. The right way to handle tremendous growth

"Take time for yourself or you'll never have enough time for others."

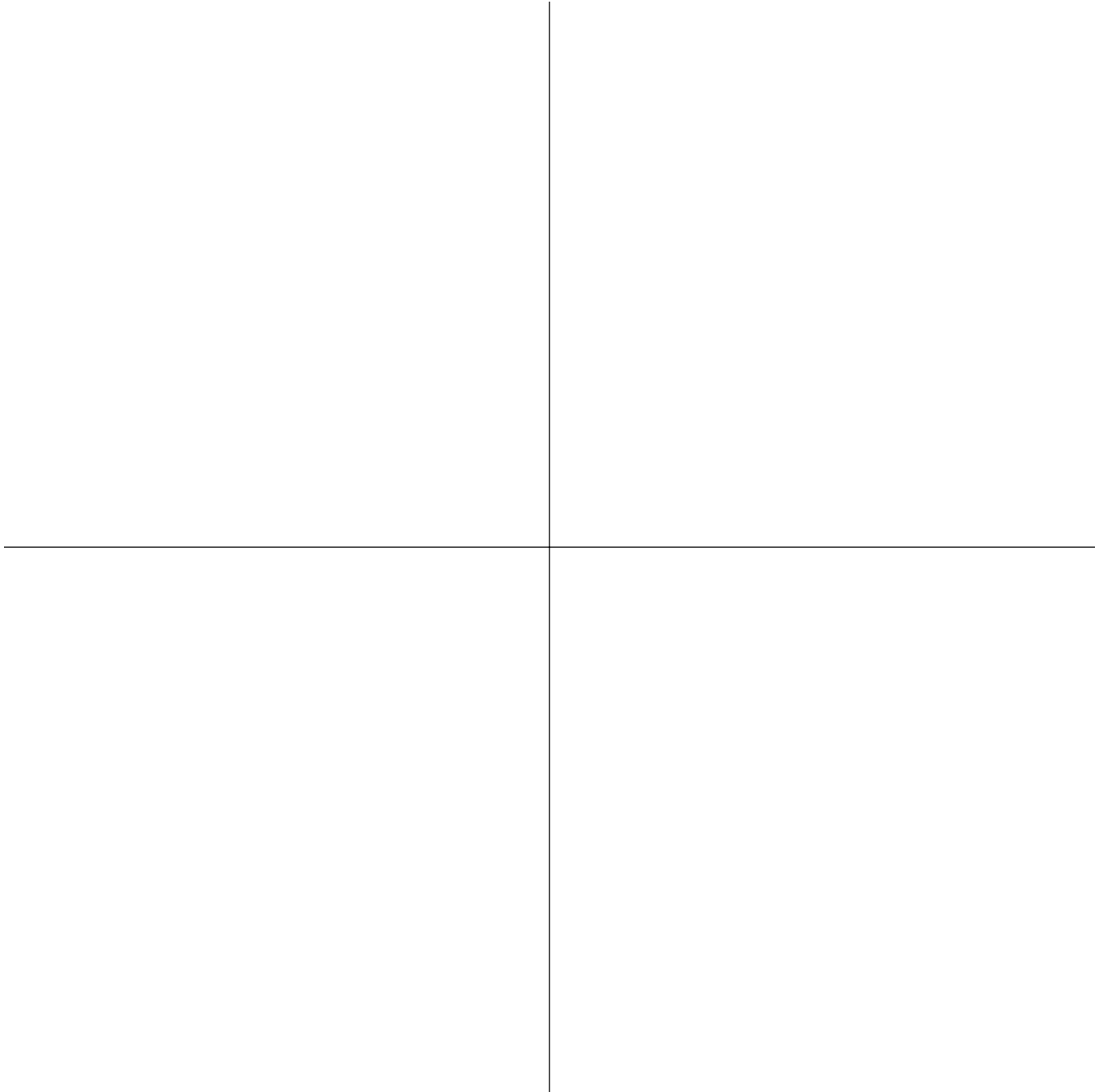
Essentials of a Great Marketing Plan

- Understanding of the future
- Establishing a mission
- Identifying specific measurable goals (%,\$,+or-)
- Infrastructure finances and systems
- Fill in weaknesses (consultants)
- Downtimes and slow periods
- Having adequately trained people
- Research, but don't over research
- Don't be penny wise and dollar foolish
- Establish beneficial alliances
- Have fun
- Appeal to various people types
- Consider expansion or contraction
- Be specific about target market
- Be innovative
- Realistic pricing with a profit
- Pricing vs. quality vs. service
- Competition (primary, secondary, different way)
- Inventory control
- Window of opportunity (yours and theirs)
- Outside forces
- Be on top of change (master it)
- Specials, incentives
- Advertising (brochures, newspaper, magazines, direct mail)
- Fixed vs. variable costs
- Market changes
- Your niche
- Proper timing
- Easy to understand
- Capitalize on your differentiator



"Knowledge unaccompanied by action is like an unharvested garden."

My Business



"If you're serious about your future don't take yourself so seriously."

Would your people describe you as a powerful leader and an effective manager?

COMBINE INSPIRATIONAL LEADERSHIP WITH DOWN-TO-EARTH MANAGEMENT

In the 1980s we heard a great deal about excellence. And it is obvious that the excellence trend will continue, the public is demanding it. The focus of the excellence model is probably the most fluid we have seen in recorded history. Its form and application are already in the process of change.

Excellence needs to be nurtured, otherwise it will not thrive.

You cannot thrive in the 1990s unless you use more than just management skills.

You might not even survive!

What every vital organization will need is a vigorous approach to real leadership. And they must incorporate leadership skills in just about everything they will do in this decade. Leaders inspire staff, and people need this more than ever in turbulent times. A leader motivates people to do their best. A leader is accepting and able to adapt to what tomorrow will bring.

I have followed the 'leadership vs. management' debate for years. This argument has produced quite a few meaningful cliches, like 'leadership inspiration vs. management perspiration', and 'leaders are proactive while managers are reactive.' Also, 'leaders have vision and managers have objectives'. Those clever little phrases may be deceptive, because they are overly simplified but they also have a lot of truth in them.

Nevertheless, I have echoed the tactic of placing leadership above 'mere' management. This does not conflict with the fact that you need both qualities. The real difference is that a leader can always hire a person with management qualities. Leadership is less tangible. It is something that needs to be developed in your people, this includes the need for your whole team to be leaders in their field.

You must instill a leadership mentality throughout your organization. After all, leaders are the people who get the job done. Only then can the concept prevail that all people in all positions are potential leaders .

In order to thrive and survive in the last decade of this century, you must create an environment of excellence that allows, encourages and directs your people to achieve and produce at an optimum level. To do this you must strike the balance between leadership and management. Our leaders must become managers and our managers must become leaders.

As part of this '**Leadership Checklist**' I have drawn up the following list of six '**Leadership Techniques**'. Take each point and apply it to your own situation and that



"When in Rome, do as you would do, as all good Romans appreciate the real thing."

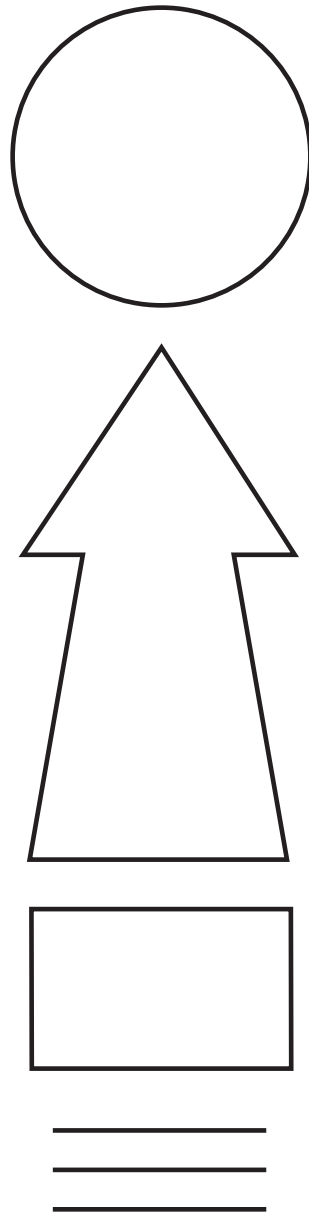
COMBINE INSPIRATIONAL LEADERSHIP WITH DOWN-TO-EARTH MANAGEMENT

- 1. Encourage everyone in your organization to become intelligent risk takers.** They are the doers in any organization and they are ready as well as happy to take personal responsibility for their actions.
- 2. Insist on open and honest two-way communication.** It will guarantee information flow and ensure that the left hand knows and understands what the right hand is doing. In addition it will reduce a great deal of potential conflict.
- 3. Constantly reinforce the philosophy that people are an organization's most important and valuable asset.** If there was a natural disaster, and all was destroyed, save the people, everything could be rebuilt with people.
- 4. Let go of the past and stop trying to defend it.** Will Rogers said, "It's not that people are so ignorant, it's just that they know so many things that aren't true." That is probably from their experiences of the past.
- 5. Make sure everyone understands and is a part of the organizational vision.** People need and want to be a part of a greater purpose, and they are more apt to give it their best if they feel they belong.
- 6. Continually challenge your rules and regulations.** Encourage people to question. Too often we get locked in by routine and ritual. When encountering something that requires flexibility, determine what is the 'spirit of the law' rather than being restricted by the 'letter of the law'.

If you incorporate these six points, you will be ready for the challenge of change. Adopt these and nothing can surprise you in the 1990s. Do not be like the person who said, "Just when I thought I knew all the answers, they changed all the questions."

Action Item: *Develop the leadership qualities that inspire people, but remember that to succeed you also need the down-to-earth qualities of fundamental management. I would encourage you to associate with people who exhibit those qualities. Develop too, a sense of confidence and leadership to strengthen your business at all levels.*

Consulting Opportunities of the Future



"Stumbling blocks in life can lead to both riches or despair."

I. HOW TO IDENTIFY CONSULTING OPPORTUNITIES

A. SPECIFIC SITUATIONS

1. New Problem
2. Old Problem
3. Short-term problem
4. Money problem
5. Grants
6. New regulations
7. Objective observer
8. Technical expert

B. CONVERTING THEM INTO CONTRACTS

1. Prior exposure
2. Stay on top of changes
3. Be aware —



"Even a fool will be successful if active listening is practiced."

II. HOW TO BUILD A PROFESSIONAL REPUTATION

A. EFFECTIVE EXPOSURE

1. Teaching
2. Lectures
3. Meetings
4. Direct mail — advertising

LONG TERM EXPOSURE

5. Newsletters
6. Writing



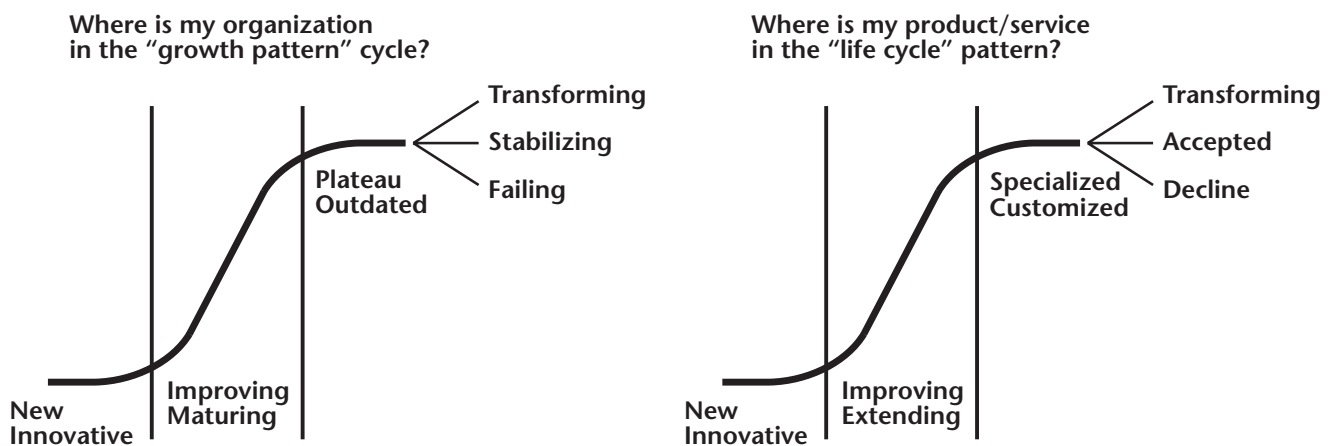
"Problems you solve will be balanced by new problems and opportunities created by others."

Factors to Consider When Preparing for (Creating) the Future

What Has Changed
that we have not adapted to?

What Is Changing
that we are not prepared for?

What Is Going To Change
that we can capitalize on or prepare for?



"Being dependable is essential to reaping the rewards from interdependency."

Visualization

(What does it mean?)

- Predicting the future

 - Projecting the desired future

 - Creating the future

 - Dwelling in the past
-



"You cannot delegate your personal responsibility to others, nor should you want to."

Business Responsibility

Golden Ideas

1. Exercise patience at all times.
2. Only give conditionally.
3. Always clarify grey areas.
4. Be willing to walk away.
5. Enlarge the pie.
6. Always have another solution.
7. Go back to the beginning if necessary.
8. Save something for the tough-to-resolve issues.
9. Don't give it all away too soon.
10. Always strive for a win/win.

Absolute Don'ts

11. Don't lie.
12. Don't deny responsibility.
13. Don't talk all the time.
14. Don't lower your values.
15. Don't be insensitive.
16. Don't be disrespectful.
17. Don't have low self-esteem.
18. Don't avoid risk.
19. Don't avoid problems.
20. Don't gloss over issues.
21. Don't demotivate.
22. Don't be negative.
23. Don't be reactive.
24. Don't be lazy.
25. Don't always insist on perfection.
26. Don't resist change.
27. Don't be pessimistic.
28. Don't be indecisive.
29. Don't be afraid to be vulnerable.
30. Don't lose sight of your vision.



Whatever you give out, you get back ten-fold, whether you like it or not."

III. PROBING SKILLS FOR THE CONSULTANT

A. THREE TYPES OF QUESTIONS

1. Fact finding

2. Feel finding

3. Financial

B. DESIGN YOUR OWN FORM



"If you are willing to give more than you expect to receive you will always be surprised."

IV. HOW TO DEVELOP A CONSULTING ACTION PLAN

A. PERSONAL AND CAREER GOALS

1. Know what you want!
2. Know why you want it!
3. Know when you want it!
4. Know how you're going to get it!
5. Act Immediately!

B. DETERMINING YOUR OVERHEAD

1. Office rent
2. Clerical help
3. Office supplies
4. Duplicating
5. Mail costs
6. Professional dues and subscriptions
7. Telephone (FAX)
8. Auto/travel
9. Accounting
10. Legal
11. Entertaining
12. Marketing
13. Taxes and licenses
14. Letterhead, etc....
15. Insurance
16. Equipment
17. Training
- 18.



""While you can't have it all, make sure you end up with what you really want."

GUIDING LIGHT(S)

| <i>Career/Business</i> | <i>Relationships/People</i> | <i>Social/Personal</i> |
|------------------------|-----------------------------|------------------------|
| | | |



As the caterpillar ate its way to a warm and safe place, there seemed to be a cloud of concern over what's to come next. The 'Voice' said not to worry and that what is coming next is natural and will transform life as the caterpillar knew it. The caterpillar worried.

The caterpillar worked hard to build a warm and safe cocoon – it was very comfortable. Oddly enough, after the hard labor, in the midst of lavishing in the warmth and comfort of the cocoon, the caterpillar was plagued by a yearning to fly. To fly... but to leave the cocoon? Doubt about the ability to fly became overwhelming. The 'Voice' said to the caterpillar, "You can fly, but the cocoon must go." The rest is history.

Larry L. Nelson

10 Critical Steps to Your Marketing Plan

1. Start out with the future
2. Envision your future
3. Evaluate your present position
4. Assess your supportive aspects
5. Start developing a strategic plan
6. Align aspects to envisioned future
7. Make uncomfortable adjustments
8. Write vision and mission statements
9. Execute your plan
10. Challenge everything regularly



"Happiness and success are inevitable when commitment and persistence are inseparable."

V. HOW TO PRICE YOUR SERVICES WITHOUT GIVING THEM AWAY

A. DETERMINING YOUR FEE

| | | |
|---------------------------|-------------|----------|
| | D.L. | \$ _____ |
| | O.H. | \$ _____ |
| 1. Direct labor (D.L.) | D.E. | \$ _____ |
| | Total | \$ _____ |
| 2. Overhead (O.H.) | | |
| | Profit | \$ _____ |
| 3. Direct expenses (D.E.) | | |
| | Grand Total | \$ _____ |
| 4. Profit | | |

B. MAJOR FEE CONSIDERATIONS

1. Per day basis
2. Contract fee
3. Percentage



"A person who takes a profit never loses any money."

C. AVOID GIVING YOUR SERVICES AWAY

1. Consult — don't train
2. Retainer
3. Send invoice
4. Sell planning and follow-up
5. It is your interview
6. Be fair
7. Say "no" to bad business
8. Ask for their order

D. SPECIFIC CHANGE TO OCCUR

1. Measurable
2. What feeling
3. Is it realistic?
4. Who will judge?

E. CONTRACT — KEEP IT SIMPLE

1. Specific goals and objectives
2. All obligations
3. Time frame
4. Financial arrangements
5. Independent, not employee



"A river without banks is a swamp."

VI. HOW TO MAINTAIN A VALUABLE CLIENT RELATIONSHIP

A. BUILDING A LONG TERM RELATIONSHIP

1. In-depth analysis
2. Fulfill emotional needs
3. Control information
4. Don't let client supervise
5. Keep as a client

B. COMPLIMENT THEIR ABILITIES

1. Don't duplicate
2. Anticipate future
3. Keep up-to-date
4. Follow-up
5. Stick to your expertise



"You can understand others only to the extent you understand yourself."

VII. HOW TO BUILD PROFESSIONAL RELATIONSHIPS WITH OTHER CONSULTANTS

A. MORE THAN AN IMAGE

1. Dress and posture
2. Public organizations
3. Professional associations
4. Printed image

B. SUPPORT GROUPS

1. Professional Groups
2. Mastermind alliance
3. Family



"Putting things off until tomorrow is a never ending project."

VIII. OTHER CONSULTING CONSIDERATIONS

A. TYPES OF BUSINESS

1. Individual

2. Partnership

B. BUILDING AND HANDLING SUCCESS

1. Prospecting

2. Initial interviews

3. Preparation

4. Implementing

5. Follow-up

C. SUPPORT SYSTEMS

1. Problem solving

2. Delegating

3. Sales skills

4. Communication skills

5. Effective time management

6. Stress management

7. People knowledge

8. Motivation

9. Mastering Change



"A smile is worth a 1,000,000 words."

Resource Information

Most of the following publications are available in major reference and business libraries.

Commerce Business Daily – government contracts
National Trade & Professional Associations of the United States & Canada – Labor Unions
Encyclopedia of Associations
Direct Mail List Rates & Data
Business Rate & Data
Directory of House Organs
Grantsmanship Workplan
The Grantsmanship Center News
The Catalog of Federal Domestic Assistance
Foundation Directory
Catalog of Federal Domestic Assistance
The annual Register of Grant Support
The Associations of Consulting Management Engineers
Association of Management Consultants
Society of Professional Management Consultants
American Society for Training & Development
National Speakers Association
Toastmasters International
Writers Market
Federal Register
Foundation News
Federal Grants Weekly
LIBRARIES


Web Sites to Visit:

www.trainingtrends.com
www.w3w3.com
www.coloradosoftware.com
www.coloradovca.org
www.rockiesventureclub.org
www.icc.org
www.lightspeedca.com

For most information on productivity-based support systems for the consultant contact:

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*"You'll never get wealthy working 40 hours a week...
...nor will you be really happy."*

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- HOW TO SELL ANYTHING – *You, Your Ideas, Your Services*
- BUILDING A MOTIVATED WINNING TEAM
- MASTERING CHANGE IN THE MIDST OF CHAOS
- COMMUNICATING WITH IMPACT – *Projecting Power & Confidence*
- EXECUTIVE STRESS – *The Myth, Maladies and Miracles*
- THE ULTIMATE WIN – *Achieving Personal and Career Satisfaction*
- MANAGING MULTIPLE PRIORITIES – *Leadership and The Can-Do Manager*
- COPING AND DEALING WITH DIFFICULT PEOPLE
- MANAGING PEOPLE, CIRCUMSTANCES AND CHANGE
- HOW TO ACHIEVE MORE WITH PEOPLE
- MANAGEMENT SKILLS FOR THE TECHNICAL MANAGER
- CONSULTING: For The Internal and External Consultant
- Special request topic: _____

YES, please rush information about the topics I have checked on the list above!

Information only

Please call me – Best time is: _____

Prefer month(s) : _____

Name _____ Title _____

Organization _____

Address _____

City _____ State _____ Zip _____

Phone (_____) _____ Email _____