



CONSULTING IN THE NEW ECONOMY

How to Start, Run and Grow a Successful
Consulting Business in 2020



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Consulting In The New Economy: How to Start, Run and Grow A Successful Consulting Business in 2020

Is Consulting For You? The Truth About Becoming a Consultant	2
Consultants Are Just Like Business Owners	3
The Advantages of Becoming A Consultant	4
Check Yourself — Are You Determined To Succeed?	4
Decide Your Transition Strategy	5
The Side Transition	5
The All-In Transition	5
Discovering Your Unfair Advantage	6
Marketing Avenues	6
Get Inside The Mind Of Your Clients	7
Promoting The Right Things	8
Niche Consulting: Finding Your Niche	9
Looking Back At Your Past Experience	9
Your Ideal Client Profile	10
How To Identify Your Ideal Client	10
Consultant Ideal Client Profile Example	11
Creating Messaging That Attracts Clients To You	12
Planning Profitable Consulting Projects	13
Don't Follow My Approach	13
Keeping It Simple	14
How To Find Consulting Clients	14
Find the Right Clients	16
Make Them An Offer They Can't Refuse	17
Repeat and Follow Up	18
Create A Discovery Offer	20
Turning Discovery Offers Into Bigger Consulting Projects	21
Starting A Consulting Business Checklist	22
Equipment For A New Consulting Business	22
Do You Need To Incorporate A Consulting Business?	22
Accounting For Your Consulting Business	22
Legal Considerations	23
Your Consulting Office	23
Free 3-Day "Start Your Consulting Business Bootcamp"	23

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Is Consulting For You? The Truth About Becoming a Consultant

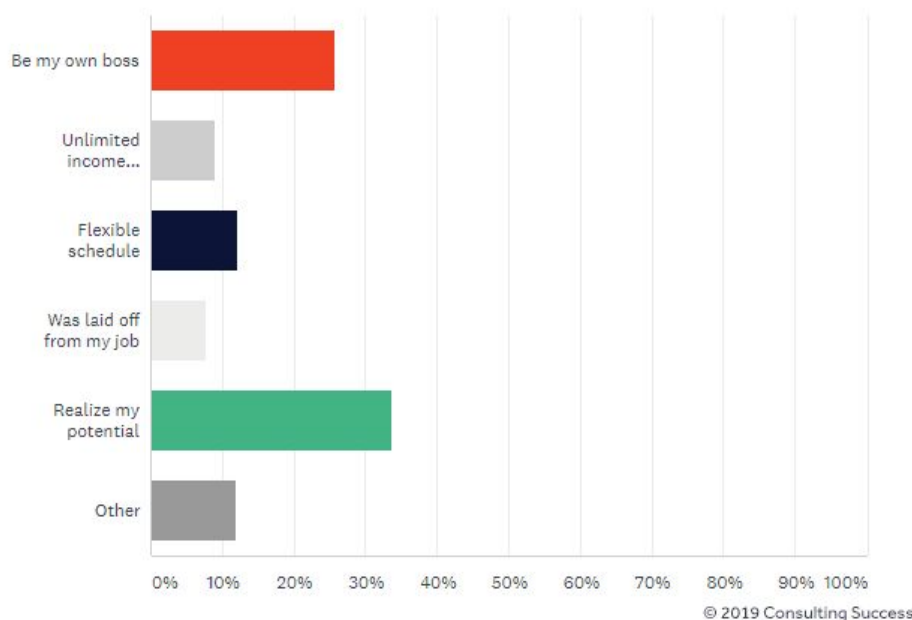
I could paint you a soft and cuddly picture of how rosy the life of a consultant is.

That would be a load of rubbish.

Becoming a consultant — and a successful one to boot — isn't for the faint of heart. Especially when you're trying to do it with little experience.

But you can do it when you adopt the right mindset.

If you're like most people, you want to start your own consulting business to realize your full potential and become your own boss.



(From our [2019 Marketing for Consultants Study](#))

Becoming your own boss, realizing your full potential, and having a flexible schedule account for nearly 75% of the reasons why over 33,000 consultants we polled actually started their own consulting business — many without former consulting experience.

Consultants Are Just Like Business Owners

Very little in life and in business is easy. Consulting is no different.

Being a consultant is much the same as being a business owner. That's what you are.

All the headaches, ups and downs associated with owning a business will become part of your everyday life as a consultant.

There's finding new clients, getting agreements signed, invoicing and billing issues, client management issues...the list goes on.

You get the point, right?

There are lots of different aspects of the business you'll need to stay on top of to keep things afloat.

The Advantages of Becoming A Consultant

Don't let me scare you away from joining the consulting ranks.

There are tremendous advantages as well, like...

- the freedom to structure your day and be flexible — and work from wherever you want in the world
- the almost unlimited earning potential
- the ability to work with practically any company in any industry

That said, it does take a lot of work.

For many, getting up and going to work for 9 am and then coming home at 5 pm is a better way to live life. In some ways this is true, you go to work do your job and come home — that's it.

When you become a consultant, I can tell you that you'll be thinking of your work and clients much more often than that.

Check Yourself — Are You Determined To Succeed?

To start a consulting business with no experience, pig-headed determination is required.

You'll deal with quite a few blows during the tough times...but if you're serious about succeeding, you'll make it out the other side with invaluable experience.

More importantly, you'll need the ability to stay focused and constantly motivate yourself to not give up and keep pushing forward.

These are some of the key areas that will help you to decide if becoming a consultant is right for you.

If you're looking for an easy, comfortable life, starting a consulting business with no experience is not for you.

But if you're willing to accept the challenges that come with the advantages, read on.

Decide Your Transition Strategy

There are two ways you can approach transitioning from employee to consultant: the Side Transition or the All-In Transition.

The Side Transition

The Side Transition is where you start consulting on the side while you work in your corporate job.

It's more of a comfortable, risk-averse approach to starting a consulting business. It allows you to test and validate the demand for your services while you still have income from your 9-5 job.

With The Side Transition, you're looking to gain traction before you quit your job. You want to prove to yourself that you can get clients and do the work so that when you do quit, you will have income from your business.

This also gives you the chance to develop some case studies, giving you a marketing asset to help get even more clients once you make the leap.

However, with the Side Transition, you're not giving it your 100% effort. You're being held back by spending most of your time and energy in your full-time job. Thus, you won't know how successful you can truly be if you're only giving it 50% (or less) of your concentration and effort.

The All-In Transition

The All-In Transition is where you go all-in on starting your consulting business with little to no pre-existing income from it. You're quitting your job to become a consultant, and that's that. You go 100% into it.

It is going to be stressful. And you're going to have real pressure to perform: to get clients, deliver excellent work, and generate income.

But, with the All-In Transition, you'll see faster results. You're committed. You have to generate an income, and that means you'll have put more time and energy into it.

Pressure makes diamonds: and when it comes to quitting your job and starting a consulting business, the All-In Transition gives you the good kind of pressure you need to succeed.

NOTE: If you are going to make the all-in transition, make sure that you do have income saved up. 6+ months of living expenses are often more than enough to remove a lot of the stress that comes with this transition.

Discovering Your Unfair Advantage

What makes your consulting services unique?

You've decided you've got what it takes to start a consulting business with no experience, and you have the necessary skills to give yourself some credibility to get into the consulting game.

Sounds like a good start, right?

Well, not exactly.

In order to make any money in this business, you must make yourself known and sought for consulting work.

Marketing Avenues

Getting found is actually the easy part.

There's plenty of marketing avenues you can take to get your message in front of thousands — if not millions — of people.

Consider how much money consultants spend, on average, marketing their business:



(Taken from our [2019 Marketing for Consultants Study](#))

Nearly 50% spend less than \$1000 on their marketing each year.

I'm not saying that you have to have a five-figure marketing budget to be successful — but you must adopt the mindset that investing in your business will pay off.

Getting in front of people takes time, money — or both.

Either way, you need to provide something unique that stands out from the crowd if you want anyone to give you the time of day.

This all comes down to your positioning and USP (unique selling proposition).

Get Inside The Mind Of Your Clients

The easiest way to think about this is to put yourself in the position of your prospective clients.

Think about what they really want.

And also look for cracks in the market.

Get in the habit of reading reviews for things like books in your industry. They will let you peer inside the minds of your consulting prospects.

Look at all your competitors and find an area where they all are performing poorly in.

Or maybe there is something that isn't being communicated well enough — but is important to your prospective clients.

A classic example is to think of a construction crew. Most are notorious for cost overruns and delays.

Not to mention shabby work that needs re-dos and touch-ups for months after the project is supposed to be complete.

Customers hate how late and unreliable these workers are.

They want someone they can depend on.

Promoting The Right Things

If you're in this market, you'd be wise to take this opening and promote how your workers are always on time, are reliable and get the job done right.

Think this will only work for this market? Well, think again.

Dominos pizza took this exact approach by guaranteeing delivery would be on time, and that the pizzas would arrive steamy hot.

It worked.

The goal is to figure out what you bring to the market that is unique.

- How can you set yourself apart?
- Can you focus on an area that others don't?
- Can you provide a guarantee that your competitors don't have the stomach for?

While doing this can be scary at first, these are the kinds of things that make you stand out — and that's what you need to make happen.

This is an overview and we'll get into more specifics in more advanced articles.

For now, think about what your advantage is and what you're ready to offer as you become a consultant.

Niche Consulting: Finding Your Niche

"Michael — if I choose one type of industry or one type of project to specialize in, won't I be turning all of this potential business away?"

No. It's actually the opposite.

If you're serious about starting a consulting business and succeeding, you're willing to adopt the responsibilities of a real business owner.

That means offering a specific service or working with a specific type of client. Even better if you can do both.

You cannot be the consultant who helps everybody (at least early on). Decision-makers already have generalists. They're called full-time employees.

You'll actually get the attention of your clients if you can clearly name what it is you do and specify the industry it is you serve.

"I help business owners improve their business" is not an area of specialization.

“I help dental practice owners implement CRM software” is an area of specialization, both in terms of the target market (dental practice owners) and the task performed (implement CRM software).

Becoming a consultant begins with defining your area of specialization. When you start a consulting business, you'll find it much easier to gain traction once you've done this step.

How do you choose your area of specialization based on your work or employment history?

Looking Back At Your Past Experience

You must audit your...

Skills

Where have you developed your skills throughout your work career? What are you good at? You must be skilled at your craft to be a successful consultant. Start by looking at the skills you've developed.

Track-record & Past results

Where has your work resulted in tangible business results? What have you done where you can point to having earned a business more money, or cut costs? You'll need to demonstrate why you're worth the investment.

Passion and Joy

What do you enjoy doing? What gets you up in the morning? Passion isn't everything — but it will carry you through some of the rough days common to the early-stage consultant. And because you'll be spending time creating content, writing, speaking and working on projects related to your area of expertise – you better enjoy it.

Demand in the market

What do your clients actually want? What are decision-makers willing to sign the check for? Don't make the mistake of offering a service that nobody will pay you for.

Go through each of these with a fine-toothed comb. Choosing your area of specialization should be something you declare with pride. It should be bold and public. It's the first step to become a consultant and truly starting your consulting business in the right way.

Your Ideal Client Profile

If you've spent any time at all learning about marketing, you've come across the term "ideal client" or "target profile."

This is the profile of the client who'd be the perfect fit for your services.

How To Identify Your Ideal Client

There are hundreds of different variables you could include for this profile. We've nailed it down to 5 that are most important for consultants.

Those are...

- Industry
- Size
- Location
- Seniority
- Job Title

These are the client characteristics that consultants must know about their ideal clients.

Consultant Ideal Client Profile Example

Here's an example of what a consultant's ideal client profile might look like:

- Name: Elisha Kruppe
- Industry: Pharmaceuticals
- Size (employees, revenue): 201-500, \$20M-\$50M
- Location: U.S.A.
- Seniority: Executive, C-Suite
- Job Title: CEO

When you've nailed down these client characteristics, it will be much easier for you to write messaging that appeals to this type of client — as well as build a list of ideal clients to reach out to.

It's much easier to build a list of ideal clients when you know you're going after the C-Suite at Pharmaceutical companies with around 300 employees.

Once you've defined your ideal client, you can start focusing your messaging in order to attract them. You can test all of your messaging against your ideal client profile.

Does it speak to them in particular?

Does it resonate with them?

Your ideal client profile helps you figure out whether or not your marketing is focused.

Creating Messaging That Attracts Clients To You

In the Clarity Coaching Program we help our clients develop Magnetic Messaging that attracts ideal clients to you. This makes the marketing process much easier.



Scott Wagers

The 'Consortium Whisperer': helping leading medical researchers double their research productivity

Limburg Area, Belgium · See 500+ connections · [See contact info](#)

Example of a truly magnetic message. If you're a medical researcher, you'll wonder...how does he do that?

With effective magnetic messaging you'll find prospective clients saying to you "Hmm, that's interesting. How do you do that?"

The best magnetic messaging encourages your ideal clients to reach out to you to learn more about what you offer.

Let's say your ideal client is Thomas Hermann, CEO of a credit union. Thomas is worried that his credit union is falling behind his competitors in digital.

"I help businesses improve their business" is poor messaging that won't attract Thomas' attention.

"I help credit unions transform their digital environment so that they can attract and retain more members" will certainly get his attention. It addresses him (credit unions) and what's on his mind (using digital to impact his bottom line).

0 out of 10 decision makers at a credit union would even think twice about the former messaging.

But any of them would be foolish not to at least consider the latter.

And that's the entire point of magnetic messaging: to get your ideal clients interested in learning more. That's it.

It's not a sales pitch – it's an attention grabber.

Planning Profitable Consulting Projects

This is one of the most overlooked areas for new consultants.

They focus on creating a website and logo, they get business cards printed, they set up their office space and they give themselves a catchy name.

Then they go out and try to find clients. But there's one big gap in this plan.

Don't Follow My Approach

What are you going to do when you get a client?

When I first got started as a consultant, I winged it.

I went in and figured things out without a written plan.

But I don't recommend that approach.

You don't need to plan out a hundred-page system for your clients from day one — that would surely be a waste.

If you're starting a consulting business with no experience, you should have a written plan of how you can help the clients you get.

Keeping It Simple

This is as simple as writing the areas you can take them through, what needs to be done in each area, and what the end result will be.

Don't fret, this can be in a simple point-form list.

It will not only help you better explain what you'll do for potential clients.

It will also make your work process more efficient as you work on the project.

This may seem like a no-brainer but you'd be surprised how many consultants have no real plan for their clients.

And without a plan, it's infinitely more difficult to achieve real results.

Writing out a plan or system for your consulting projects is one of the first things you can do to gain experience.

How To Find Consulting Clients

Here's the fastest way to get consulting clients: know the right people.

The more people you know, the more people you can approach and tell them about what you're doing.

It's a simple conversation starter. Sooner or later, someone will know someone.

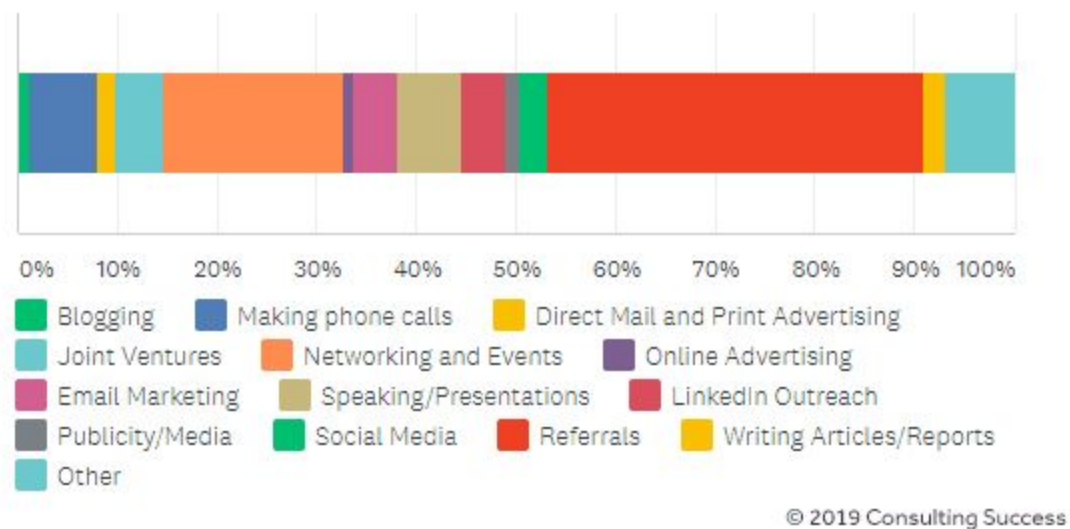
Or maybe even a family friend will be a potential client — and you'll have landed your first deal and have really become a consultant.

But what if you don't know anyone?

What do you do?

There are many approaches you can take. Some will depend on your industry and others on your budget.

Let's take a look at what the data says...



(Taken from our [2019 Marketing for Consultants Study](#))

44.4% of consultants cite the majority of their business coming from referrals.

And 20.7% cite the majority of their business coming from networking and events.

Despite what everyone else tells you about online marketing — personal relationships are still king for winning consulting business.

Continually expanding your network and meeting new people is one thing...

But turning potential buyers into new clients comes down to your marketing.

Here's what you need to do:

1. Find the right clients.
2. Get your message in front of them.
3. Make them an offer that is hard to refuse.
4. Repeat steps 1-3 over and over again.

This may sound ridiculously simple to you — but it works.

Let's break down each of these 4 steps in more detail.

Find the Right Clients

Not all clients are created equal.

Do you want to approach entrepreneurs, single retail stores, franchises, or large organizations?

To decide this, you'll need to decide who your ideal customer is and what type of customer you want to work with.

You may not know right from the beginning. That's ok.

Just be sure to select one group at first and focus your efforts on getting business from them.

What you'll need is a list with company names, the person in charge of your area of expertise, and contact details.

Now, you can start communicating with them and reaching out directly.

If you're wondering how to get this info, you're already in the right place.

The internet — specifically sites like LinkedIn — gives all this information to you.

Read our article on leveraging LinkedIn to attract new consulting clients.

Getting Your Message Read

Once you have your list of ideal clients, you now need to get your message in front of them.

You can do this by sending them a letter in the mail (which I recommend), an email, or by calling them.

Your communication piece needs to be well thought out. It needs to grab their attention and give them a reason to contact you.



This is the first step. Every client project begins with them receiving your first message.

Make Them An Offer They Can't Refuse

Be clear on your offer and advantage. We covered this in Part 3.

Your offer needs to be distinctive and solve a problem the potential client has. When you describe the problem they have and how you can solve it, they can't help but notice.

It's not enough to state the benefits of your service. You need to convey it in a way that removes almost all the risk and hesitation the person may have.

You can do this by providing a powerful guarantee.

Another approach is to create a presentation or report that is packed with information useful to that person and get them to contact you to receive it.

Your goal in the first communication is to get them to take action and show sincere interest. No one wants a client that isn't motivated — and these types of clients don't buy anyways.

Repeat and Follow Up

This final step is probably the most important.

Most marketing fails because of a lack of follow up.

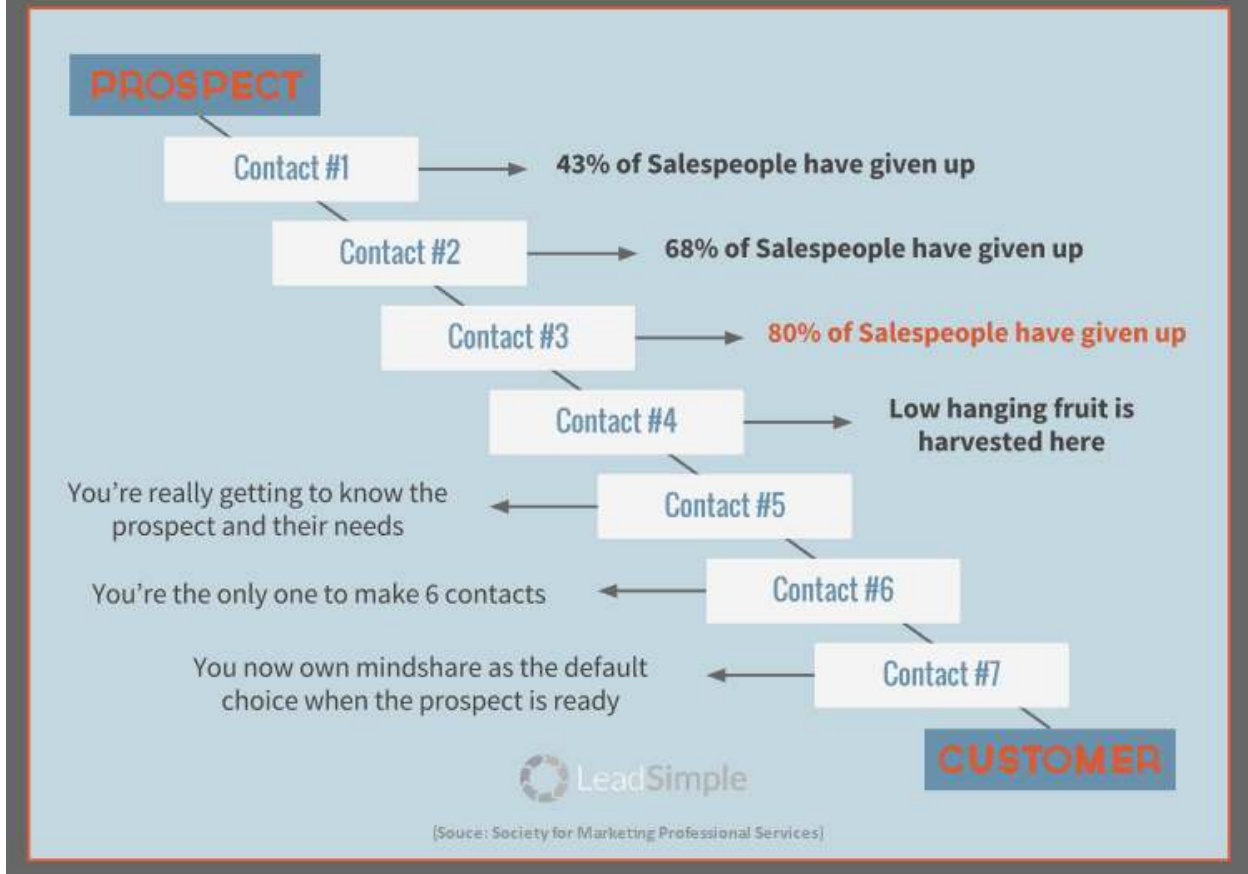
Think about the most successful realtors in your area. Who are they?

They're the ones that keep getting your face with calendars, mailers and other communications month-after-month, year-after-year.

Studies show that it takes 7 or more communications or touches to turn a prospect into a client.

Give up after 1 or 2, even 3 or 4 for that matter — and you might as well not get started.

THE PROGRESSION OF A SALE



Source: Society for Marketing Professional Services

Replace “Salespeople” with consultants and you’ll find the same thing. 80% of consultants give up after 3 contacts — and after 3 touch points, you’re only about halfway there.

Why does it take so long? Because business is all about relationships. And relationships take time to form.

There are many other ways to find clients.

Consider this an introduction for the new consultant with more to come as you get into the business.

But one key principle is this — the follow-up is critical to winning new consulting business.

And it doesn't take any experience to be persistent with your follow-ups. It takes the right mindset.

Create A Discovery Offer

A consulting discovery offer is a service designed to get your foot in the door in a business and demonstrate your expertise. It's a low-risk, one-time form of a productized consulting offer.

Discovery offers are easier to sell because they are...

- Inexpensive: Discovery offers are often between \$1.5K-\$15K, which is much less expensive than a typical custom consulting engagement. They allow your client to "try you out" before taking more out of their budget.
- Quick: Discovery offers are often quick, anywhere from an hour conversation to 1-2 weeks in length max. They allow your client to get a feel for working with you without spending too much time.
- Low-risk: Because they are inexpensive and quick, they are low-risk. Buyers can be very risk-averse, especially to bigger projects, so your discovery offer reduces the risk and makes it more likely they will work with you.

Above all else, your discovery offer should add value to your client. Creating a discovery offer will help you articulate how you can add value to your client's business in a shorter time frame, which is an excellent exercise for a newer consultant.

Here's how Sam Schutte, Clarity Coaching Client used discovery offers in his consulting business:

"We will not do a project unless the discovery. It's probably been that way for about a year. I tell folks, "We're delivering real value. We're giving you design documents, requirement documents, a roadmap, and a feasibility study." These are real things. There are people out there that probably charge tons of money for that.

We're providing a lot of value through these discovery things because we're telling you if what you're even talking about is feasible. Is it possible? Are you crazy? Is it going to take

ten times what you're thinking or is it going to be ten times cheaper than you think? What's the value of that? There has to be a price on that.

What I found is if they do the discovery project, they always do the other project. Your win rate was much higher there. Whereas, if you didn't make the discovery, it was 50/50."

Turning Discovery Offers Into Bigger Consulting Projects

As Sam says, you can and should leverage your discovery offers into bigger consulting projects.

Think about what happens in the mind of your client after you've finished a discovery project.

Now, they know you, like you, trust you — and you've created a good result for them. This is exactly where you want to be with your clients. At this stage, they are willing to invest more in you based on the fact you've already added value to their business.

Turning your discovery offers into bigger consulting projects is known as existing client development.

Setting this up is quite simple. First, your discovery offer should have given you a good idea of the problems they are facing. You should always be paying attention to these problems and study them, as helping to solve these problems is the best way to add value to your client.

Second, you can't just keep all of these ideas to yourself. You must bring them up in conversation with your client. Ask them more about this problem. What is their goal? How is this problem keeping them from achieving their goal? How is it making their day-to-day life harder? Then, introduce your ideas and solutions — which can be a larger consulting engagement.

Conversations — be it with new or existing clients — is how you make more offers. And making more offers is how you win new business, increase your income, and continue to build your consulting business.

Next up, it's about tracking what works and what doesn't, so you can build the proper systems to grow your consulting business.

Starting A Consulting Business Checklist

There are a few things you'll need to take care of for setting up a professional consulting business.

There 5 factors you must consider:

1. Equipment
2. Incorporation
3. Accounting
4. Legal
5. Office

We've put together a simple checklist to help you start a consulting business and cover these 6 areas.

Equipment For A New Consulting Business

You don't need much equipment to start a consulting business, but you'll need a few logistical things.

- ☐ An office space (can be a home office)
- ☐ Telephone with voicemail
- ☐ Mailing address
- ☐ Computer/laptop with high-speed internet

Do You Need To Incorporate A Consulting Business?

Not many new consulting businesses need to be incorporated, but you must consider it.

- ☐ I've incorporated my consulting business (recommended only if you are making far more than you need to live on or if you're at risk of being sued)

Accounting For Your Consulting Business

Trying to do my own accounting was one of my biggest mistakes as a young consultant. Make sure you hire an accountant and set up your own bank account.

The return on your investment in time saved and with regards to your taxes will be worth it.

- ☐ I've hired an accountant to do my invoicing and taxes
- ☐ I've set up a bank account for my business

Legal Considerations

As a newfound consulting business owner, you want to know a lawyer or two in your phone who you can ask questions to.

- ☐ I know a lawyer who can help me with any legal questions I might have

Your Consulting Office

You don't need a fancy office — but you do need a quiet space where you can do deep work.

- ☐ My office space is a space where I can find time to think and remove distractions

Bootcamp CTA

Do you want help making the transition from corporate to consultant as smooth and stress-free as possible?

To quit your job with confidence, knowing that you'll be able to earn the same income — or even far surpass it — by using a proven, step-by-step system?

There are many things we haven't mentioned here that aren't in the scope of this article.

So we've put together a series of 3 bootcamps designed specifically to help those frustrated with their corporate career (or consultants who aren't yet earning six-plus figures in their business) to become an elite consultant.

Click on the link below to learn more about our bootcamps:

> [SIGN UP FOR THE FREE 3-DAY BOOTCAMPS ON HOW TO START A SUCCESSFUL CONSULTING BUSINESS](#)

