

This Is Not the Consulting Business Any More

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Consultants seem to take a perverse pride in informing anyone who will listen that “they are not marketers,” as if marketing were some kind of dirt that accumulates under the fingernails which no one wants to brag about. The fact is that they are, indeed, marketers, but they are lousy ones.

Welcome to the Age of Marketing. My findings, and I’ve worked with hundreds of solo practitioners in my mentoring program as well as scores of consulting firms in my regular practice, are that poor marketing is the leading cause of failure for consultants after undercapitalization. (Of course, if you’re undercapitalized you don’t have funds to invest in marketing anyway, and if you’re not marketing well you’re not attracting revenues, so they are not unrelated.)

I know a scores of fine consultants who are barely subsisting, and certainly not thriving, and a smaller number of consultants who are average at their trade but are building bigger homes and investing excess funds in the market. Once upon a time, one could claim “consultant” as their title and perform a bit of genteel networking to earn an honest living. Today, to earn a decent living, consultants had better be able to attract people to themselves and their talents in sizeable numbers.

Marketing is the act of creating need, whether it’s the initiative of new ideas and products (global markets), or the identification of long-time legitimate ideas and products (team building). Selling is the act of providing alternatives that fill the new needs (the Internet) or the old, still important ones (outdoor experiences for teams).

Consulting is a relationship business, meaning that buyers are loath to enter into agreements with strangers, just as you are loath (or ought to be) to invest in securities hawked by those guys on the phone at 8:30 in the evening. I wouldn’t invest my own money or my firm’s future in the hands of someone who’s beating on my door to tell me how good he is.

In addition, with the exception of the mega-firms, consultants simply can’t put enough “feet on the street” to represent a decent cold-call sales success. Consultants have to create what I term a “marketing gravity” to draw prospects into their pipelines.

Creating Marketing Gravity

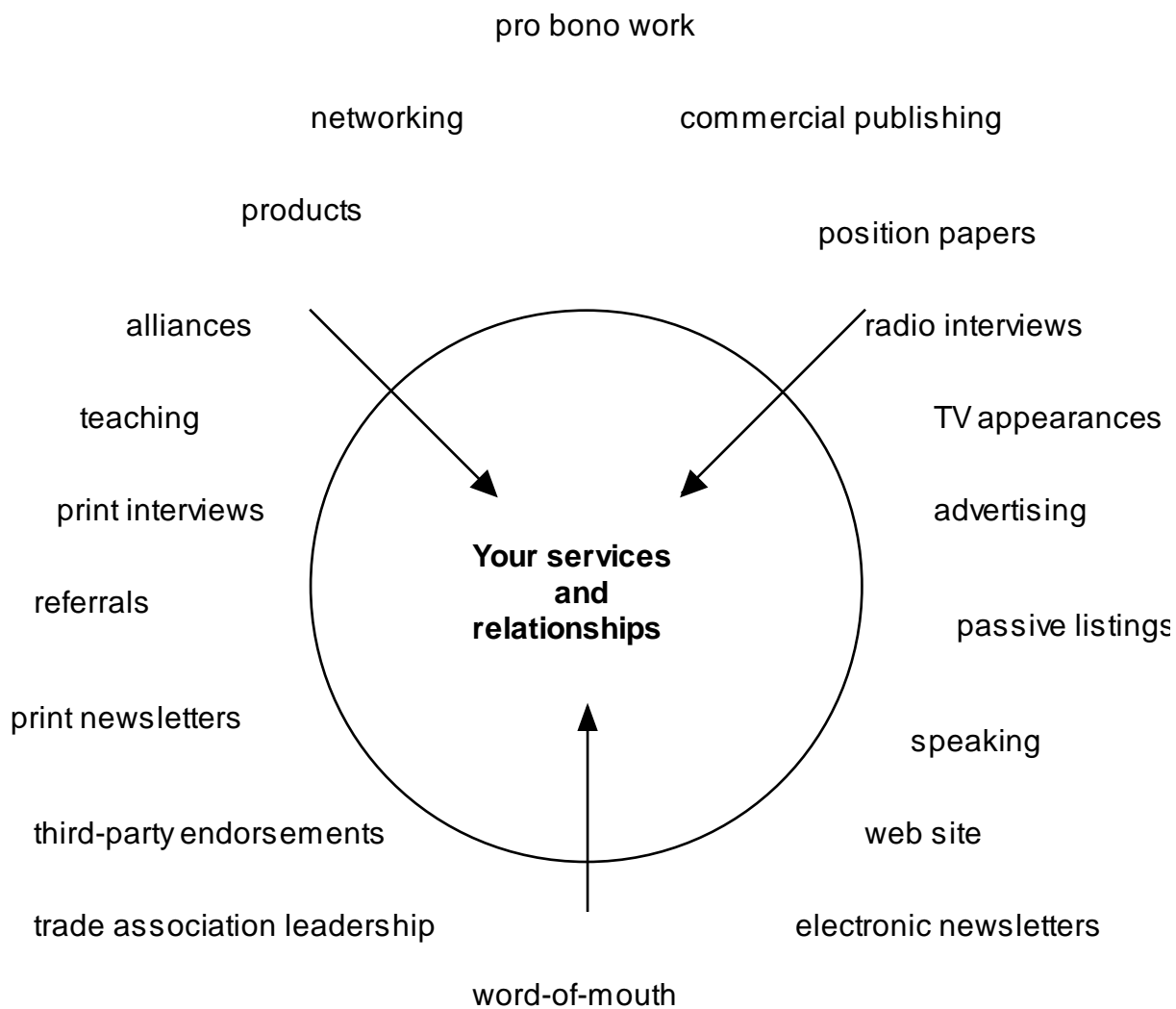


Figure 1: Marketing Gravity

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Figure one shows some of the components of a marketing gravity. All of the elements of attraction are tactics that I have in place, so I know they can be done and maintained concurrently. Moreover, I'm still doing all of them, despite my level of success, because marketing can never cease.

Dispelling the bologna: The Rules

One of the primary mythologies I faced when I entered the profession as an independent in 1985 was that you can't expect to make more than about \$300,000 as a solo practitioner, because there was a limit to your delivery capability. Another was that there would be "fits and starts," because you couldn't really market for future business while you were busy delivering current business. In other words, you

couldn't be in two places at one time, so you could only chew gum or walk, but not both at once.

None of this, of course, is true. I run a seven-figure practice from my home with no staff. I'm not claiming this to be the perfect arrangement, but it simply shows the vast flexibility available to us.

Here are my rules for marketing consulting practices, assuming very few resources and people and no full-time approaches.

Rule #1: Think from the outside in.

Don't tell prospects—in your words, on your web site, in your promotional materials—how good you are. Tell them instead why *they* will be better off for having engaged you. Pitch your practice from the standpoint of the customer's improved condition, not your own improved revenues. No one wants to see your vacation slides, but they'd love to show you their vacation slides. Let them.

Example: Don't laboriously list your methodology in your brochure. Instead, list examples of completed assignments and the value added that the client derived.

Rule #2: Never count "hits."

It doesn't matter how many people visited your web site or responded to an article you published. You only need one outstanding call, not a hundred worthless calls. Don't abandon advertising or listings because you haven't received immediate business. Allow time for them to reach the right buyer.

Examples: I had placed a \$125 listing in the American Society for Training and Development *Buyer's Guide* for many years. Finally, I received a call from the American Institute of Architects which resulted in a \$156,000 sale and a prestigious client. I've not yet received another inquiry, but my ad remains.

Rule #3: Aggressively collect referrals.

It is staggering how dreadful consultants are at soliciting referrals, even from highly delighted clients. The time to get referrals is *while you are in the account and active*, not after you've left and the relationship has become tepid. Tell your buyer that referrals are the coinage of your realm, and you're wondering if he or she might be willing to introduce you to colleagues, acquaintances, their trade association executive, etc. And remember, in large organizations the referrals need only be to other departments and divisions.

Example: My insurance agent never failed to ask for three names every single time he visited me. He literally would not leave the house without them. He retired a wealthy man, because only a small portion of all those referrals from all of his customers had to result in business.

Rule #4: Create a great web site

Professionals who tell me that they are computer illiterate may as well tell me they are telephone illiterate. If you don't have a web site you're just not serious. A good designer, starting from scratch, can create a wonderful site, registration, maintenance, domain names and the whole business for less than \$5,000 (and often less than \$3,000). Create a site that provides value, not advertising, by posting new article each month, creating interesting web links, offering products, etc.

Example: My practice wouldn't be possible today without the web (I've reduced my travel to under 20% while increasing income). I've been interviewed worldwide,

published globally, and sell well into six-figures of products, all through my web site. (And all product orders are fulfilled without a staff.)

Rule #5: Publish

We're not looking for the Great American Novel, simply a few cogent thoughts on how your areas of expertise can create enhanced customer results. Nor does it have to be published in *The New York Times* or *Business Week*. There is a multitude of newsletters, web sites, regional business magazines, and local newspapers starving for decent material. Remember, always think from the outside in to determine what the reader and the editor would find most appealing.

Example: I turn a succession of articles into columns, columns into booklets, and booklets into books. It's a natural and logical progression. I've sold two separate \$300,000+ projects because a feasibility buyer found one of my books and recommended it to the economic buyer, who then asked to see me. (And in one case, that buyer didn't even read the book!)

Rule #6: Leverage

Try not to create anything or pursue any approach that doesn't lend itself to several varying ends. Position papers can also be published on your web site; speaking engagements can be recorded for use as a possible product; pro bono work can lead to interesting publicity photos. Don't assume that one avenue or one technique is self-enclosed. Keep exploring where else you can apply what you've developed.

Example: I conducted focus groups at a client, which the client wrote up in a house organ and allowed me to duplicate for my press kit. The press kit was circulated to existing clients, some of whom were unaware of their needs in that area or unaware of my ability to fill those needs. After conducting focus groups for them, I created an entire booklet based on my findings, and now use that both as a product for sale and as a marketing piece.

Rule #7: Ignore the competition

I recently worked with a consulting firm which was paranoid about gaining market intelligence and finding out what the competition was promoting. While it's a good idea to have a general knowledge of competitors' practices, never allow the competition to dictate your marketing strategy. Your job is to create your unique niche, in which you are number one, not to pursue someone else in an attempt to overtake them at something they're already much better at doing. Honeywell has continued to suffer because it has been totally reactive to IBM and other competitors historically.

Example: If your expertise is in the strategy area, don't try to overtake well-established monoliths. Position yourself (viz.: *market yourself*) as an expert in strategy implementation (as opposed to formulation), which is the real key to whether strategy has an effect on the actual business.

Rule #8: Don't create a marketing budget

Budgets are always inflexible and delimiting. If your budget were, say, \$5,000, and you've spent that by June, you will force yourself to ignore a great opportunity that may surface in September (especially if you're behind plan). Conversely, if the \$5,000 isn't spent by November, you may feel constrained to spend it on lackluster

and ineffective alternatives (especially if you're ahead of plan) to fulfill your "intent." It's better to find the right opportunities and invest the money as needed.

Example: Web-based companies which can promote training courses based on your intellectual property pop up every seven seconds. You don't want to pass up an opportunity with one that may be perfect for you simply because your budget is already committed.

Rule #9: Spend money when you can least afford to do so

A friend of mine used to say to his staff, "If you had one dollar left, would you try to spend it on one simple meal or invest it in a marketing program which could result in meals forever?" Not a bad question. You have to spend money to make money. If you have an excellent marketing proposition facing you, borrow money if you have to, but invest in your own future. Allowing a lack of funds to eliminate your marketing will only exacerbate that lack of funds. It's a vicious cycle.

Example: Entrepreneurs across-the-board have borrowed and begged to meet payroll, launch advertising, gain public notice, and stimulate innovation. If you're passionate about what you do, then you should be willing to take prudent risk. That's how FedEx, Microsoft, Hewlett-Packard, and other great firms were begun.

Rule #10: Eschew middlemen

This is a relationship business. Brokers, by definition, get in the way of the relationship. They are little more than a dating service, and offer no qualitative connection with a prospect, yet expect up to 30% of any hard-won revenue you derive. This is not marketing, it's mindless. Consulting is not a brokerage, commodity business. If you watch the people who do get assignments through brokers, they are really hands-on implementers, trainers, and technicians.

Example: A woman convinced me that she knew a terrific broker, who immediately gave me a "hot" prospect who needed my exact set of skills (the broker barely knew me). The prospect was aghast that I had called him, angry that his phone number had been provided (I told him it was now on the Internet), and promised that he would drop the broker like a bad clam. Brokers simply try to put fresh meat out there, and I abhor meat markets.

Why branding is important

It's vital for consultants to establish their unique "brand" in the marketplace. The reason for the urgency is that there is no trade association or professional group doing it for us. The various consulting professional associations are little more than opportunities to pay dues and receive some initials after your name which no buyer ever asks about or even understands. (The local chapters are often quite valuable, but more for support and infrastructure than as a marketing force.)

Since there is no national body such as the American Banking Association or American Dairy Farmers Association ("You got milk?") representing us and establishing our legitimacy as a profession and a group, it's imperative that we do so as individuals and as solo practitioners.

A brand creates a response among the public. McKinsey has a brand synonymous with strategy, and they are often called in on name alone irrespective of whether they are appropriate resources (and regardless of fees) by a prospect. "No purchasing manager ever got fired for buying IBM" was a brand mantra for a long

time. Things might go better with Coke, but I don't think so, since the drink hasn't had much interest ever since they removed the cocaine from the original recipe. Nonetheless, it sells despite the turmoil in the executive suite, the economy, and the competition.

I've long advised consultants to never accept an "open door" opportunity for a low fee (this is the dreaded "E" word: exposure) because they immediately become branded as a low-fee consultant. Similarly, executives will rarely engage a consultant who is a favorite of the human resource department because that consultant is branded as a "trainer" or "facilitator" or "HR person," but certainly isn't perceived as someone who can help with strategy. (Although if you start with strategy, you can readily go in the other direction, because you're then branded as the executive's choice.)

Your marketing initiatives should seek to promote and exploit a brand or brands—there's no reason not to have several.

What is the connection between creating a marketing gravity and branding? They are interrelated. For example, when I published *Million Dollar Consulting* in the early 90s, I became "the million dollar consultant." That brand enabled me to publish a variety of additional consulting books with various publishers, and to start a mentor program that attracted people who wanted to work with "the million dollar consultant." The word-of-mouth of people seeking me out creates a buzz among prospective clients who decide they should talk to me and consider me before selecting a consultant.

The "perfect" brand occurs where three elements intersect:

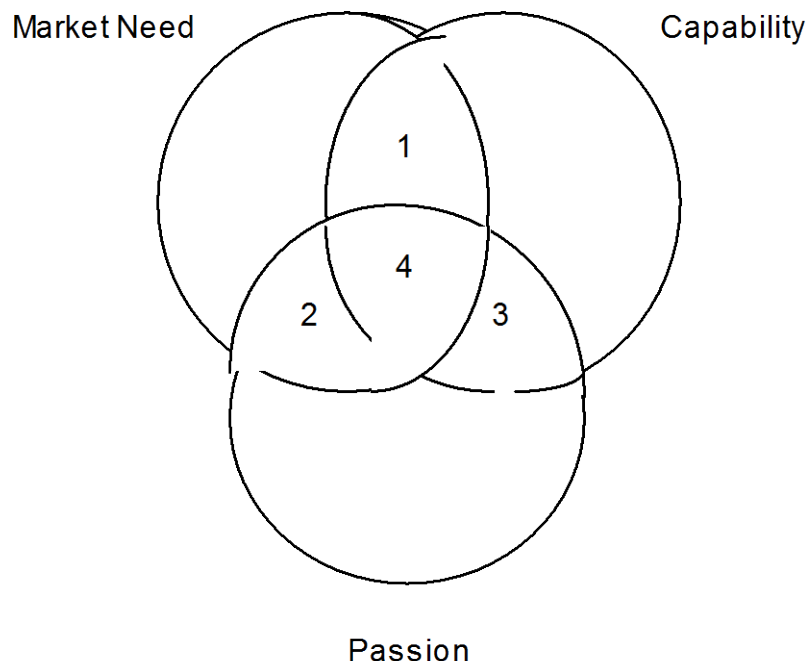


Figure 2: Ideal branding

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First, you must identify a market need or create such a need; second, you must have the capability or competency—or be able to acquire the competency—to meet that need; and third, you must have passion about the issue.

In position 1, there is a need and you have the competence, but you don't have the passion. There may be a need for better time management skills, and you have several excellent techniques to improve such skills, but it's a boring topic, you've done it before, and it doesn't excite you. (You often see subcontractors in this position, earning their daily bread, but unexcited about the larger project because they don't own it.)

In position 2, there is a need and you'd love to fill it, but you don't have the ability and/or the capacity. For example, organizations desperately need improved e-commerce skills, you love the Internet, but you don't have the combination of web skills and marketing savvy to pull this off. (This is where you often see incompetent consultants, who talk their way into a job and demonstrate great enthusiasm, but then can't deliver.)

In position 3, you have the ability and the passion, but no one cares. You are fascinated and enthralled by outdoor experiences, you have mountaineering and orienteering skills and are certified to lead such experiences, but the market has disappeared and no one is interested any longer. (Here you encounter the "messianic" consultants here who are fervently pitching their "message" which no one cares about any longer. Think of "right brain/left brain" learning.)

Only in position 4, where all three conditions exist, are you ready, willing, and able to establish a brand and strong marketing gravity around it.

Marketing for dummies-consultants

A successful and high potential marketing plan for consultants is actually quite easy. Simply ask yourself these three questions *in this order*:

1. What is the value added that I bring to a client, in terms of tangible business outcomes?
2. Who, specifically, can write a check for that value?
3. How to I reach those people?

The trouble is that most consultant go immediately to question 3, and engage in cold calls, direct mail, random networking and other fruitless and frustrating tactics. The questions must be answered in the order presented. Once you know your potential value, you can identify who is likely to pay for it. And once you know that, you can ask yourself what they read, to whom they listen, where they congregate, what influences them, and so on.

You can establish the spokes in your marketing gravity around the most likely techniques which will attract those buyers, writing for publications they read, speaking at events they attend, networking with people who influence them, serving on fund raisers in which they participate or donate, etc. Your branding should take the form of that combination of results and traits which appeal emotionally to your targeted groups.

So, the overall process is one of:

1. Identifying that confluence where market need, your competencies, and your passion meet. Note that you can develop additional market

- needs, acquire additional competencies, and nurture additional passions. This is not a snapshot, but rather a moving picture.
2. Specifying exactly what value added you bring to your potential clients (the application of competencies fueled by passion which meets their needs and desired business outcomes).
 3. Identifying the specific people in that market who are able to write a check for your value. Note that this is virtually never anyone in the human resources, training, meeting planning, event planning or related areas. These are usually line managers, executives, and senior staff people.
 4. Determining how you will reach out to them and attract them using as many elements of the “gravity” field as are applicable. Once established, those gravity elements remain in place to lure future prospects.
 5. Creating one or more brands as you are successful in attracting buyers to you. Those brands should be fueled by the gravity system you’ve constructed, and then become self-perpetuating through word-of-mouth and referrals.

Consulting is a wonderful profession, but it’s no longer adequate to simply be a superb consultant. You also have to be at least a decent marketer. In today’s economy, those who can’t make it as an entrepreneur have only themselves to blame. It’s not the economy, it’s not the competition, it’s not the government. There is plenty of work for everyone, and plenty of investment available.

It’s about marketing, so you might as well get good at it.

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