



White Paper

## TO BE OR NOT TO BE A CONSULTANT: THAT IS THE QUESTION

Some sources say that Hamlet originally wanted to be an HR consultant. Of course, he used his famous question later in his life as well, but under different circumstances. You may have even asked yourself this question a time or two. Consulting is the fastest growing business of the decade and for many professionals a career alternative worth considering.

A typical image of consultants is that they breeze in, do the project, then move on to their next assignment. Sometimes they even propose ideas that you suggested years ago, but no one was willing to listen to. It looks so easy! But, what about the downside?

Over 80 percent of all new start up businesses in consultancy fail. This White Paper takes a look at the consulting profession and provides insight on the critical issues that new or prospective consultants must grapple with in their decision-making process.

## Why Consulting?

The reasons for becoming a consultant are varied. But in interviewing successful consultants about their reasons for the transition, these themes emerged:

**Challenge & Stimulation:** Many current consultants were in jobs that did not allow them to use their varied talents or did not present them with challenging work. Many found consulting to be their ticket out of a company that did not present advancement opportunities or future work of interest to them. For most consultants, the job is one full of variety as they juggle multiple clients, projects and the demands of marketing and running a business. The challenges involved are very different from those faced by many professionals.

**Flexibility:** Consulting allows you the opportunity to have more control over your hours, the amount of money you can potentially earn and the types of projects you will work on. This flexibility and control, coupled with a strong entrepreneurial spirit, motivate many with a desire for greater control over all aspects of their life to make the leap into the consulting world.

**Transition:** Some consultants entered the field during a life-transition, either due to retirement or loss of a traditional job. While you'll soon read why this field is not for everyone, some consultants tried their hand at consulting during an employment gap and found it to be a profession uniquely suited to their talents.

## Consulting Myths

There are almost as many myths about consulting as there are jokes about consultants! As a practitioner, your work with consultants may have led you to some misperceptions about the profession. Here are some of the most common:

***Myth: Consultants can work whenever they want to, have more free time and make more money than most other people.***

Fact: While most consultants set their own work hours and have more flexibility, they still must be available to meet the needs of their clients. Most consultants report they now work more hours than before (60-80 per week), as they must now devote time to project proposals, marketing, practice management and other non-revenue tasks. Many report that initially they made less money in consulting, but after establishing their practice, exceeded their previous salary levels.

***Myth: Consultants can pick and choose their clients and projects.***

Fact: A strange phenomenon occurs for most consultants, work comes in waves. Even the busiest consulting practice will experience downtimes. And while you may eventually have the luxury of carefully choosing the projects you will accept, in almost every consultant's life, there are times when supply and demand require you to take on projects that are not your ideal.

***Myth: The phone will ring.***

Fact: No matter how well known you are within the field, a successful consultant must have a true marketing orientation and can expect to spend 20-25 percent of his or her time on marketing. The phone will only ring tomorrow if you've put in significant marketing time for the past 3-4 months.

***Myth: Becoming a consultant will eliminate stress and frustration from my life.***

Fact: As a consultant you'll not be dealing with corporate bureaucracy and office politics in the same manner as before. HOWEVER, you'll most likely be trading these stressors in for new ones including: difficult clients, finding time for marketing and tight project deadlines just to name a few!

***Myth: I can become a consultant while I look for my next job.***

Fact: Yes, you can try this tactic, but it is generally unsuccessful. Starting out as a consultant must be a long-term effort. Most lucrative consulting jobs will be long-term in nature and will take a substantial effort up-front to secure. Using consulting as an interim career may hurt your job search efforts as well. Successful consultants have a unique skill set and personality that goes far beyond just professional knowledge. Some of those traits are listed below.

## Characteristics of a Successful Consultant

Experts do not agree on all the characteristics of successful consultants, but do agree that this transition is not for everyone! If you thrive on set hours and a regular routine, consulting isn't for you. If you love a challenge and want every day to be different, this could be just what you're looking for. The characteristics below, while not absolutely essential, are a good place to start your own self-assessment.

**Entrepreneurial Spirit:** Establishing a name for yourself as a consultant can be a lonely and intimidating experience. You must have a strong desire to be in control of your own destiny and willing to commit to at least 5 years of hard work. It takes not only excellence in your area of expertise, but also excellent business skills.

**Strong Communication Skills:** Communicating effectively with others is a key to consulting success. You can possess stellar knowledge in many areas, but if you cannot share it with a variety of personality types in a way they can understand, your knowledge will be useless. You must be able to present information both verbally and in writing to a diverse audience from the CEO to a line employee and create a connection with each of them.

**Analytical and Diagnostic Abilities:** You must be able to size up people, analyze a company's structure and diagnose problems. Not only that, but you have to do it quickly and with a high degree of accuracy. Information gathering, analysis and diagnosis are a part of virtually every consulting project and, if they are not accurate from the beginning, can result in disaster down the line.

**Creative Problem Solving:** Your perspective as an outside expert is what is most valued by your potential clients. You'll be asked to see things that others closer to the situation have failed to see and find a way to resolve tough problems. Knowing more than one way to do things is essential in consulting success.

**Organized and Self-Disciplined:** Most workplaces have set hours. Being a Consultant you will not only set your own hours, you'll have no one looking over shoulder on a daily basis. Your most important performance review will come from clients who choose to use your services again. While these might be very attractive features, you'll need to become self-sufficient as you must keep yourself on a schedule, be your own manager, balance your own books and, in most cases, be your own secretary.

**Strong Sales Skills:** Consultants are constantly in the position of selling themselves and their consulting services. If selling makes you uncomfortable or if the idea of blowing your own horn is repulsive, you won't enjoy consulting. Promoting your business is a 24-hour a day job and your product is an intangible one. Successful consultants must develop excellent marketing and sales skills, and find time to continually market themselves.

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You will be constantly challenged to find ways to tell your story and remind current and potential clients of your services. Plan to spend 20-25 percent of your time on marketing.

## Making it Work

If you've read this far and haven't been scared off, here are a few suggestions gleaned from experienced consultants. These are some of the lessons most of us learned the hard way:

**Develop a niche.** When starting out, it is tempting to take any work that comes along in an effort to make money and develop client references. However, before starting you should decide what types of projects you will and will not accept. Some consultants find a niche within a particular industry or become a specialist in one functional area. It is important that you define the scope of your practice and send a consistent message to potential clients. Develop a network of other consultants that you can refer work to outside your area of expertise.

**Pricing** is a key factor in your image and success. Most experienced consultants report they undercharged clients in the beginning and sent an incorrect message about their level of expertise and the value of their services. The vast majority of consultants continually grapple with the issue of what to charge and how to charge their clients. While we can't deal with this topic in-depth in this White Paper, there are many excellent sources that can help you decide how much to charge and assist you in determining your pricing strategy.

**Market, market, market.** You will be constantly challenged to find ways to tell your story and remind current and potential clients of your services. Plan to spend 20-25 percent of your time on marketing. This can mean anything from attending networking events, writing a newsletter, developing a formal marketing campaign or publishing articles. If you are not comfortable with this aspect of the business now, find ways to learn more and make it a more natural part of your job. To stay in business, clients are essential. You will need to find time to market, even when you are booked solid.

Build a **strong team** or become a part of one. Chances are, you are not well versed in ALL the intricacies of business. Early on, find a mentor or two that you can consult with as you face the business decisions ahead. This team will be invaluable as you develop as a consultant.

Be aware of your **own limitations**. Ask yourself if you are absolutely certain whether you have the right skills and experience for the project. Is it possible that one of your colleagues is more suitable for the task? Your professional knowledge is probably not the answer to all business challenges.

**Enjoy!** The rewards and benefits of consulting are priceless. As a consultant you'll have a workload that is varied and challenging, you'll find yourself working on projects that you believe in, seeing the results of your work and getting paid for something you love to do! Throughout it all, remember the reasons that you chose to become a consultant and focus on making it a reality!

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