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of owning and running a consulting business

Consulting FOR DUMMIES®

2nd Edition

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**by Bob Nelson and
Peter Economy**



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Bob has been featured extensively in the media, including television appearances on CNN, CNBC, PBS, and MSNBC; radio appearances on NPR, USA Radio Network and the Business News Network; and print appearances in the *New York Times*, the *Wall Street Journal*, the *Washington Post*, and many more. He writes a weekly column for *American City Business Journals* and a monthly column for *Corporate Meetings & Incentives*, among others.

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Dedication

To the many unsung consultants who quietly dedicate their working lives to helping others reach their goals.

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Introduction

Anyone can become a consultant. Becoming a *successful* consultant, however, is a different story. Prospering as a consultant requires you to have expertise that others are willing to pay you to provide, and it requires having good business skills. Oh. And it requires some amount of motivation on your part to *want* to consult for others.

Writing this book was a labor of love for us. We are both consultants and have been for many years. If we don't do a good job, we don't get paid. And if we don't get paid, we don't eat. Our goal is to provide you with the skills you need to become a successful consultant, whether you're a beginner who is just getting his business off the ground, or an experienced consultant who wants to fine-tune her already successful practice.

As you may have already discovered or suspected, consulting can be an exciting and rewarding profession — and not just in a financial sense. Working with people to help solve problems can be an immensely satisfying thing to do. Of course, in the real world, consulting involves much more than tapping your client's head with a magic wand and watching all the problems go away.

Consulting For Dummies, 2nd Edition, is specifically written to address the unique needs of both new and experienced consultants as well as consultants-to-be. If

you're new to the business, you can find everything you need to know to be successful and in demand. If you're an experienced consultant, we challenge you to shift your perspective and take a fresh look at your philosophies and techniques — what's working for you and what's not. We offer some new approaches and techniques to help you take your business to a higher level.

About This Book

Consulting For Dummies, 2nd Edition, is full of useful information, tips, and checklists that any consultant or consultant-to-be can use right away. Whether you're just thinking about becoming a consultant or you're already a seasoned pro, you can find everything you need to make consulting fun and profitable for you and your clients.

The good news is that the information you find within the covers of this book is firmly grounded in the real world. This book is not an abstract collection of theoretical mumbo-jumbo that sounds good but doesn't work when you put it to the test. We've culled the best information, the best strategies, and the best techniques for consulting from people who already do it for a living — including us. This book is a toolbox full of road-tested solutions to your every question and problem.

Consulting For Dummies, 2nd Edition, is *fun*, which reflects our strong belief and experience that consulting

can be both profitable and fun. Nobody said that you can't get your work done while making sure that you and your clients enjoy yourselves in the process. We even help you to maintain a sense of humor in the face of upcoming deadlines and seemingly insurmountable challenges that all consultants have to deal with from time to time. Some days, you will be challenged to your limit or beyond. However, on many more days, the satisfaction of resolving a production bottleneck, recommending a new accounting system, or installing a new client-server computer network will bring you a sense of fulfillment that you never could have imagined possible.

The material in this book is easy to access. What good is all the information in the world if you can't get to it quickly and easily? Have no fear; we have designed this book with you, the reader, in mind. Here's how to find the precise information you seek:

- ✓ If you want to find out about a specific area, such as gathering data or setting up a home office, you can flip to that chapter and get your answers quickly — faster than you can say, “The check's in the mail.” Let the table of contents and index be your guides.
- ✓ If you want a crash course in consulting, read this book from cover to cover. Forget squandering lots of money on high-priced seminars and videos or spending countless nights poring over some fly-by-night correspondence course. Forget learning by trial and error. Everything you need to know about consulting is right here.

We know from personal experience that consulting can be an intimidating job. Consultants — especially those who are just learning the ropes — are often at a loss as to what they need to do and when they need to do it. Don't worry. Help is at your fingertips.

Conventions Used in This Book

When writing this book, we included some general conventions that all *For Dummies* books use. We use the following:

- ✓ **Italics:** We *italicize* any words you may not be familiar with and provide definitions.
- ✓ **Boldface type:** We add **bold** to all keywords in bulleted lists and the actual steps in numbered lists.
- ✓ **Monofont:** All Web sites and e-mail addresses appear in monofont.

Also, we should note that, in this book, we use the term consultant quite loosely. We define a *consultant* simply as someone who sells his or her unique expertise to someone else, often on an hourly basis. There are many different kinds of consultants, from those who advise businesses on how to become more effective to those who advise lawyers on which members of a jury they should try to remove before a trial to those who can help you set up your home computer's wireless network.

What You're Not to Read

While we spent hours and hours — and many late nights — writing the words you'll read in this book, we know that you won't want to read it all. Truth be told, it's highly likely you won't need to. So, we make it easy for you to identify “skippable” material by sticking it into sidebars. This is the stuff in the gray boxes that's interesting and related to the topic at hand, but not absolutely essential for the success of your consulting business.

Foolish Assumptions

While we were writing this book, we made a few assumptions about you. For example, we assume that you have at least a passing interest in starting your own business that specializes in helping others solve their problems or capitalize on opportunities. Maybe you're already a consultant, or perhaps consulting is something that you might like to try. We also assume that you have a skill or expertise for which your friends, relatives, or clients will be willing to pay. This expertise may be providing your advice on anything from postage stamp collections to Internet consulting to aerospace engineering services. One more thing: We assume that you don't already know everything there is to know about consulting and that you're eager to acquire some new perspectives on the topic.

How This Book Is Organized

Consulting For Dummies, 2nd Edition, is organized into seven parts. Each part addresses a major area of the how, what, or why of becoming a consultant — and growing your business. Because of this organization, finding the topic that you're looking for is simple. Whatever the topic, you can bet that we cover it someplace! Here's a quick overview of what you can find in each part.

Part I: So You Want to Be a Consultant

Consultants are many things to many people. In this part, we provide an overview of the entire book, and then consider how to determine whether or not consulting is for you, before diving into the topic of starting your own consulting business.

Part II: Getting Your Consulting Business Off the Ground

Consulting is just like any other business — there are certain things you need to do to get it off the ground and running smoothly. This part focuses on starting up a successful consulting business as well as the financial, legal, and ethical considerations that you will encounter along the way. Finally, we take a look at how to set your fees.

Part III: The Short Course in Consulting

Consulting can be done one of two ways: the right way or the wrong way. In this part, we discuss the right way. We explain how to clearly diagnose the client's problem (and write a winning proposal), collect data effectively, and analyze it quickly and efficiently. Finally, we talk about how to give feedback to your clients and ensure that your advice gets implemented.

Part IV: Selling Your Consulting Services

To be a successful consultant, you have to learn how to sell your services (and yourself) effectively. This part considers the selling process and how to spread the word about your business. We consider how to build business through current clients, as well as how to build business with new ones.