

Do I Want to be an Independent Consultant?

QUESTION #1: Do I have a realistic understanding of the life of an independent consultant, or am I wearing rose-colored glasses?

For example, there are many positive aspects to being an independent consultant:

- ✓ I'll have the freedom to work on more interesting projects or projects of my own choosing.
- ✓ I'll have flexibility in organizing my work time.
- ✓ I can be my own boss.
- ✓ I might be able to work at home.
- ✓ I don't need much money or equipment to get started.

At the same time, being an independent consultant is hardly a bed of roses:

- ✘ It will probably take time for me to be profitable.
- ✘ Tough competition can arrive at any time.
- ✘ Clients can disappear at any time (gone out of business, restructuring in their organization, unhappiness with tough messages you may have had to report in a previous evaluation).
- ✘ Marketing takes time (and courage!).
- ✘ Looking after my accounts takes time.
- ✘ Being my own IT person can require new skills, time, and level-headedness.
- ✘ Being my own webmaster may require new skills, and takes time.
- ✘ Consulting can become a time sink – it is not recommended for potential or actual workaholics!
- ✘ My taxes and social charges may be higher (e.g., I'll need to start paying both parts of my social security taxes).
- ✘ The pipeline for new work can fluctuate, sometimes wildly.
- ✘ Travel, even internationally, isn't always as glamorous as it may sound.

QUESTION #2: Do I have what it takes to be a successful independent consultant?

For example, on the professional level:

- Do I have the necessary professional skills?
- Can I make my skills obvious to potential clients and colleagues? Do I have solid credentials or past experience?
- Do I have a good network of potential clients who already know me and value my work?
- Can I learn fast in a new field? Many projects will demand a fast learning curve.
- Am I good at planning? I won't be able to juggle more than one project at a time unless I am.
- Do I possess some business skills (accounting, contracting, bookkeeping)?
- Do I know the basics of marketing? How am I going to market myself? Am I comfortable with this?
- Do I have a plan for a website (even a very simple one), and the skills necessary to update it regularly?

And on the personal level:

- Will being an independent consultant help or harm my life partner and our relationship?
- What effect will it have on my children, or other family members?
- Am I self-motivated and highly disciplined? Without a boss, no one will tell me when to start or stop my workday, and no one will stick up for me if I mess up.
- Am I skilled at planning, time management and setting priorities?

- Am I a people person? Do I enjoy other people's company, and do they enjoy mine?
- Am I an effective listener with good communications skills? Clients greatly value a consultant who listens to their needs, and doing a job successfully depends on thoroughly understanding the client's needs. This sometimes requires probing, because many clients often do not carefully think through exactly what they want and all that is required to get it.
- Can I project confidence when I'm sure of something? Can I project confidence even when I am not sure of something?
- Am I physically healthy and strong? Travelling, and working long hours under stress are both physically demanding.
- Do I have an anti-stress strategy (regular time off for family, friends, sports, hobbies, vacation, etc.)?
- Have I planned how many hours per day and how many days per month I want to work? Do I have a time monitoring system to track the number of hours I work for each client, and to keep me from exceeding my target (maximum number of hours and days per month I want to work)?
- Does my plan include sufficient time for non-remunerated work (taking care of my accounts, procurement, IT, marketing, networking, website, learning, etc.)? To begin with, plan on at least four days a month of non-remunerated work.
- Do I know how to say "No" when a job offer comes in and I really have enough on my plate already, or will have difficulty meeting the deadline?
- Is my consultancy business set up to be a "learning organization"? Do I have a system in place to promote reflection and learning? Do I take the time to capture lessons learned, in a systematic format, from each consultancy job? Do I have a system for applying those lessons in future jobs?
- Do I have a supporting income and/or six months of savings? How will I survive when business is slow? What if I go out of business? Can I afford private unemployment insurance?
- Do I have health insurance appropriate to my life situation? Can I count on it for the future?
- Do I have an adequate retirement plan?

QUESTION #3: Have I prepared myself to start a new business?

- Have I read useful books or online materials about starting out in business -- any business?
- Have I taken a course in how to set up one's own business?
- Have I met with other independent consultants to get their advice? Most will be friendly and helpful, especially if I buy them lunch.
- Have I visited my chamber of commerce to find out about administrative requirements?
- Have I met with a lawyer and accountant? Many independent consultants think I should.
- Have I thought through the structure of my business? Will I be a sole proprietor, part of a limited liability corporation (LLC), incorporated, etc.?
- Have I developed a business plan? Have I set annual income targets for the next five years?
- Do I have a personal safety net or backup plan if things go badly?
- Do I have personal and professional liability insurance?
- Do I have disability income insurance?
- What will be my daily rate? Have I done a market survey or a survey of the competition to find out what the going rates are for consultants like myself?
- Do I have sufficient experience to know how to plan how long a job will take? This is one of the biggest challenges when you are starting out.
- Do I have the negotiation skills to convince clients of a realistic work plan? Clients always tend to underestimate the actual time required for a given job.
- Am I able to proofread my own reports? If not, have I rounded up the services of a good proofreader / editor? Do I need technical or specialist feedback on my reports before submitting them?
- Do I have the skills to produce reports of a high professional standard? What about report graphics? Desk-top publishing?

QUESTION #4: How do I plan to get my first contract?

- Am I going to jump into independent consulting full-time, or will I make a gradual transition?
- Do I plan to rely on cold proposing? This is a difficult way to get business.
- How can I draw on my current contacts? Veteran independent consultants say I already know the person who will give me my first contract.
- Am I well-connected to a strong network that is likely to yield consulting opportunities?
- Am I an active member of professional organizations?
- Have I told everybody I know that I'm available for work? Have I suggested specific ways they might be able to use my services?

QUESTION #5: How can I continue to be successful over the long haul?

- In the US, 80% of all small businesses fail in the first year. Do I realize that the main key to success is reputation, reputation, and reputation? And that while a good reputation is all I'll have, is it also all I'll need?
- How can I stay as visible as possible? Do I have concrete plans to network, write articles and books, give talks at conferences, attend and present at local meetings, etc.?
- Will I enhance my own abilities by reading the current literature, staying active on electronic discussion lists, taking training and skill-building courses, learning new software, etc.?
- Do I know that the best way to lose business is produce a substandard or late product for a client? Unfortunately bad news spreads more quickly than good!
- Do I know that the two best ways to get business without needing to market are: a) repeat business from former clients, and b) word-of-mouth referrals?
- Am I aware that the way to get both (a) and (b) above is to provide 110% on each project? That is, to do an excellent job, plus a little more? Delivering high quality work on time is the single most important thing you can do to remain successful.