

HRD Consulting—Not as Easy as It Looks

By DICK LEATHERMAN



You just authorized a \$1,000 invoice for an outside consultant who spent one day conducting a performance appraisal workshop for your organization. You hassled for an hour with the purchasing department because you had authorized a \$5.95 book without using a purchase order. And the person you work for turned down your request for budget approval of a new selection program. "Nuts," you say, "Why do I put up with this garbage? I wish I could make \$1000 per day. Let's see now, \$1000 per day x 252 weekdays equals 1/4 million dollars per year! I'm in the wrong job. I'm going to quit this rat race and become an outside consultant!"

Hold it right there—it isn't as easy as it looks! In January 1974, I evaluated several alternatives, one of which was to "do my own thing" as an individual consultant. I spent six months in careful planning and then resigned my job as an education and training manager to become a full-time management consultant. In the last quarter of 1974, the economy came to a grinding halt, and I almost failed. That I didn't is largely a result of planning what I was going to do *before* I did it and being able to market my services afterward. I was a lot luckier than others. Compare the names listed under "Management Consultants" in a five-year old telephone book with those listed today. The mortality rate is high, but it doesn't have to be. You can increase the odds of becoming successful as an independent consultant by carefully analyzing what it is you want to do before you do it:

- State a measurable goal;
- Develop activities or steps toward this goal;
- Select critical steps;
- Determine potential problems in each critical step;
- Determine the probability of

Dick Leatherman is president of International Training Consultants, Inc., Richmond, Va.

a problem occurring and its seriousness if it does;

- Select major problems;
- Analyze each problem and determine likely cause(s);
- Develop preventive and contingency action for each likely cause;
- Put key actions back in the original plan.

To begin such an analysis, use some of the material you probably teach, i.e., a planning process. One of the better ones is Kepner—Tregoe's potential problem analysis found in *The Rational Manager*. Write out a goal statement like, "To have established a management consultant business that generates a cash flow of \$ xx gross by 19____." Next, write specific step-by-step activities and commit these to dates:

- Discuss with spouse by January 15th;
- Analyze my salable strengths by January 16th;
- Take a week's vacation and determine market potential by meeting confidentially with ten key HRD managers in my geographic area and complete by February 1;
- Meet and discuss this plan

(determined in Step 6) by April 15th;

- Give notice at work by May 1st;
- Train a replacement for my job;
- Determine if present organization can use me as an outside consultant by May 2nd;
- Write specific goals and objectives for my new business by May 16th;
- Meet with CPA or book-keeper and determine financial records required by May 20th;
- Select ten key accounts and visit them for an analysis of their needs and determine what (if any) services I can supply by June 1st;
- Contact other HRD friends at other organizations and determine if they can use my services by June 15th;
- Obtain membership list from my local chapters in this region by June 25th;
- Design a mailing for all prospective clients and announce my availability by July 1st;
- Follow up responses with phone calls and meetings where appropriate;
- Attend "Managing the Small Business" workshop by July 30th;

"Nuts," you say, "Why do I put up with this garbage? I wish I could make \$1,000 per day. Let's see now, \$1,000 per day x 252 weekdays equals ¼ million dollars per year!"

with other key successful consultants by February 15th;

- Determine (rent/buy/borrow/use client's) equipment that will be needed, i.e., overhead projector, 16mm projector, films, etc., by February 20th;
- Project yearly business and family expenses by February 25th;
- Locate resource people by March 15th, i.e., CPA/book-keeper, answering service, printer and bank;
- Develop budget by March 20th;
- Locate source of funds

- Spend not less than 50% of my time actually marketing my services during the first year;
- Etc.

Next, in step 3, pick out the critical activities in your plan with potential problems. There may be several activities that are critical. For example, I may identify activity No. 6: "Project business and family expenses," and No. 15: "Select 10 key accounts and target them for analysis of their needs," as critical because they may have a high potential for disaster. In step 4, take each critical activity

and ask, "What are the specific potential problems that may occur?" You can obtain help by talking confidentially with others whose opinion and judgment you respect. Seek out individuals who are successful outside consultants. Ask them, "In this activity, what could go wrong?" Then listen and try to make visible potential problems that may destroy you.

In step 5, identify which of these potential problems are likely disasters by determining the *probability* of the problem occurring and the *seriousness* if it does. Next, in step 6, select the major potential problems (high/high or medium/high) and analyze the cause(s) of each (step 7). (See box for example.)

After analyzing probable causes, develop specific preventive and contingency actions in step 8 to reduce the probability of the problem occurring, and to reduce the seriousness of the problem if it occurs anyway.

Then, in step 9, put the major preventive and contingency actions back in your original plan. Now, added steps in our plan may be the following:

- Attend selling skills workshop;
 - Set up meetings with local management center and determine which public seminars are needed that I can teach;
 - Set up a public seminar at local motel and present a workshop on a topic that has a high appeal to training and development managers;
 - Write an article for publication;
 - Design and mail a sales brochure to my top 100 accounts (obtained from local association membership list and state chamber of commerce) to help generate a need for my services;
 - Work with a successful outside consultant for one day and watch him or her make presentations.
- Take the other critical activities, complete the same analysis and again, add back into your original plan any key actions that you have discovered.

Lack of planning is not the on-

Example:

"I find it difficult to make sales calls to sell my services."

Likely Causes	Preventive Action	Contingency Action
I don't know how.	Attend selling skills workshop.	Spend a day with a non-competitive consultant and watch how he or she sells.
I am uncomfortable selling.	Practice with spouse or friend.	Create need by use of public seminar.
	Use needs analysis approach and look at my talents as a solution to client's problems.	Design and mail a sales brochure to top 100 accounts.
They don't know me.	Write an article for <i>ASTD Journal</i> .	Become an adjunct faculty for local university management center and let them do the marketing.
	Send out announcements.	Obtain letter of reference from my organization.
	Publish a book.	Obtain referrals from mutual friends.
	Get elected to an office in local ASTD chapter.	Meet with other training consultants and determine if there are things I can do for their clients as a sub-contractor.

ly reason for business failure. Some disasters occur because knowledgeable and competent trainers had great difficulty marketing their services. This difficulty usually seems to arise from one of these principal causes. A skilled trainer may not know how to market his or her services or a trainer may know how, but not be able to. Finally, the trainer may know how and be able to market his or her services, but may not want to do it. If the cause of the difficulty is not knowing how to market your services, you can do two things. One is to reduce the need for you

to sell. It may be less risky to join an established consulting firm and depend on your partner's marketing ability and current clients. Or, as mentioned in the earlier example, it may be possible to join a local university's management center as an adjunct faculty member and let them do your marketing. These solutions require you to have an exceptionally marketable strength that fits a general public need. For example, an expert in quality circles is more desirable than one who teaches a general subject like "motivation." Arrange to be on the pro-

Managers who manage by trial and error, imitation, rank or just plain accident are no asset in today's tough business climate.

***Managing by Design*, an insightful learning experience for middle managers.**

An intensive 3-day in-house seminar experience, *Managing by Design* has helped thousands of managers rethink their approach to the people management process. May be used as the kickoff to an in-house OD effort. Eight key behavioral science models every manager needs today to be effective with the New Values Worker. Presented through an experiential learning design and coupled with real world applications. *Managing by Design* is fundamental to every other program you'll do this year.

Available in special manufacturing and retail formats.

Now a paperback book from Addison-Wesley.

Next open session April 14-16, Bryn Mawr, PA.

**Want to know more about us? Call or write: Rollin Glaser
Organization Design and Development
101 Bryn Mawr, Bryn Mawr, PA 19010
215-642-1456**

**Canada: Eric Dalton
Eric Dalton & Assoc. 4560 Dixie Rd.
Mississauga, Ontario L4W 1N2, Canada
416-624-2331**

Visit us at Expo '82 booth #215



Circle No. 148 on Reader Service Card

gram at one of your local ASTD chapter meetings. Pick a "hot" topic and present a "state-of-the-art" overview to the members for evaluation and possible future business.

Marketing Strategies

The second solution to the difficulty of not knowing how to market your services is to learn how. Obtain permission to spend the day with a non-competing successful consultant or attend a "selling skills" workshop at your local university. As most high-knowledge HRD consultants are woefully ignorant in marketing, I have listed below some marketing strategies that you might wish to consider.

Set up a public seminar to make money, be evaluated or pre-sell a program for in-house use. Determine seminar topic us-

ing the following criteria:
Unique/new (Examples: quality circles, quality of life, sexual harassment, etc.);
Topic you have high knowledge of;
High interest for clients;
Broad appeal (for both non-trainers and trainers, managers and non-managers);
Maximum of one day (it is easier

It may be less risky to join an established consulting firm and depend on your partner's marketing ability and current clients.

to fill a one day or one half day workshop).

Set dates, locate a top facility and include lunch and locate an a/v rental source and reserve any needed equipment.

Determine charges per person (analyze your cost/participant and check fees/charges).

Design and send out a mailing, and follow up one week later with phone calls to obtain a verbal commitment.

Conduct seminar and determine at close (by means of a questionnaire) who would be interested in having you do it in-house for them. Follow up interested clients with phone calls and appointments.

If all fails, conduct a no-charge, one- or two-hour management overview of one of your key topics.

Contact local colleges (management centers) and offer

your talents as a facilitator for workshops that you have already developed:

- Offer unique, different, or "hot" topics.
- Before making the call, obtain course brochures from the university's management center and design a sample mailing brochure for their use. It makes their job easier and increases the probability of acceptance by the management center.
- See them early because they normally schedule workshops far in advance.
- Obtain commitments for pilot programs.

Present your services to key accounts:

- Think through your strengths. What can you do that is needed by other training departments? Look at yourself as a "product" that can satisfy a

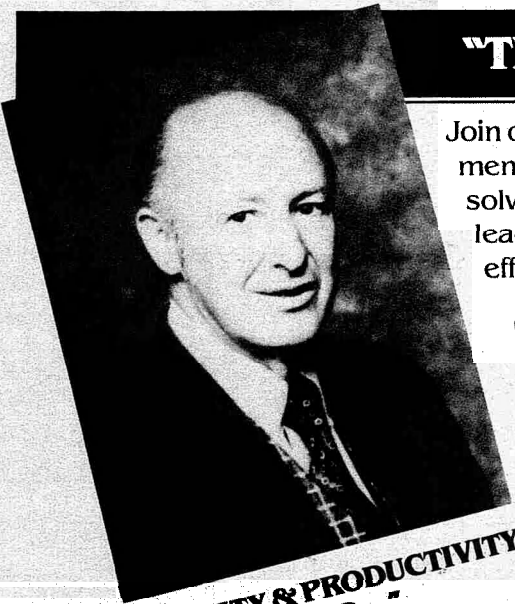
Your goal is to determine your prospective client's needs and then offer yourself as a solution.

client's needs. This calls for a problem-solving approach. Your goal is to determine your prospective client's needs and then offer yourself as a solution.

- Send out announcements of your services and include a "request for more information" response card that includes postage.
- Sales strategies—start at the

top and work down. (You can always work down, it's tougher to start down and work up.) Don't ignore anybody—sell laterally and horizontally (Murphy's Law . . . the one you ignore is the next boss). Determine what their needs are by *asking* and then *listening*. The client comes *first*, not your pocketbook. If you feel the client does not have a real need, say so. He or she will respect you for it and will call *you* when there is a need.

Sell service: You can give personal attention as you are local; your clients know who (you) will be presenting the program; you will tailor what you do to his or her organization. Establish a tentative target date for your client, then establish a commitment. (Nine times out of 10 your client will do it, but he or she has to



**"QUALITY & PRODUCTIVITY
HAND IN HAND..."**
...WAYNE S. RIEKER

"The Original QC Circles Consultants"

Join over 400 client companies with more than 50,000 U.S. QC Circle members. The QCC process teaches workers to identify, analyze and solve work related problems by improving morale, developing leadership skills and tapping the creativity of your work force...an effective process that improves attitude, quality and productivity!

Quality Control Circles, Inc. offers...

- Executive In House Seminars
- Flexible Implementation
- Experienced Professional Consultants

NEW!

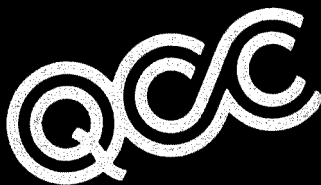
- Banking/Office Materials
- Advanced Facilitator Training

Mar. 9-12 July 20-23 Oct. 19-22

FREE...

Quarterly Newsletter on Request

(408) 867-4121 • (408) 358-2711



QUALITY CONTROL CIRCLES, INC.
W. S. Rieker, President

Higgins & Root Bldg. • 2nd Floor
400 Blossom Hill Road • Los Gatos, CA 95030

Circle No. 153 on Reader Service Card.

persuade his or her boss first, or get budget approval.)

Use third-party testimonials to establish credentials, such as feedback critique forms from public conferences, or even critique sheets from your prior organization. Always give each "call" your best shot. Think through an organization's probable needs before making the call, analyze how you could fulfill those needs and what you hope to accomplish on this call: What information do you want to give? What information do you want to receive? What action do you wish the client to take? What action do you wish to take?

When calling to see what's happening, ask, "I'm calling to check on the status of your training plans." Then let the client tell you. At the close of the conversation, ask, "When should I get back in touch with you?" Then when you get the answer, say, "Fine, I'll put you in 'come-out' for _____." Then when you call two months later, you can say, "You asked me to give you a call . . ."

• General information—

Advertising—my experience is that it is generally ineffective. Advertising in a telephone book (other than bold, black, one-liner) usually brings in a lot of nut calls from people wanting computer training or truck driving instructions.

In the beginning borrow or rent what you can't get your client to purchase. Later on buy top quality. Build a library of reference books on every management subject possible. Read the business sections regularly for local articles. They are a great source of information. Cut and tape the articles to the inside of the company's file folder.

Concentrate on your top 10 accounts. Identify them early. Know the following things about each organization: number of people, amount of training, medium/large company that doesn't have a training manager (look at your growth companies), companies or organizations that have headquarters in your area,

military bases and government normally have low skill level training personnel and do a lot of contract training and, normally, concentrate your time at large organizations, as smaller (less than 500 people) organizations generally don't have on-going needs that justify your on-going "sales" call.

Finally, if your problem is in knowing how to but not wanting to market your services, strongly reconsider where you are. Being a successful outside consultant requires some marketing on your part. Without it, there is a high probability of failure.

I have observed many high-potential businesses go right "down the tube" because of *under-capitalization*. It takes a great deal of money to both feed

your family and pay your business bills. It is awfully hard to go back to your original backer and say, "Charlie, I'm going down the tube. Can you lend me another \$10,000?" If I can offer one piece of advice, it's to borrow 50 percent more than you think you will need, and don't get in trouble with taxes. Your income will come in sporadically, and it is very easy to spend those lump sums and not have money for taxes. Get some financial help. Talk with a good CPA. Buy his or her time for a couple of hours (\$80 to \$100) and discuss your financial plans. Then abide by those plans.

YOUR SECOND CHANCE

YOU CAN EARN YOUR

College Degree AT HOME*

through independent study

- Accredited University Est. 1857
- Bachelor of Arts Degrees in Business Admin. & Public Admin.
- Credit For Work Experience
- Credit For Service Schools
- Transfer College Credits Accepted
- Approved For Veterans



*Two to four weeks residency required for graduation.

For immediate information dial 800-336-9622 Toll Free - Anytime!

For a **FREE CATALOG** describing program in detail
Send name, address, home and business phone numbers. . .

Dean, Upper Iowa University, c/o External Degree Services
Room 90, 107 Campbell Ave. S.W., P.O. Box 13486, Roanoke, VA 24034

Circle No. 163 on Reader Service Card