

INSIDE THE
LAUNCHING AND
TECHNICAL
BUILDING YOUR
CONSULTING
INDEPENDENT PRACTICE
BUSINESS



HARVEY KAYE

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INSIDE THE TECHNICAL CONSULTING BUSINESS

Launching and Building Your
Independent Practice

SECOND EDITION

Harvey Kaye

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PREFACE

ENGINEERS, SCIENTISTS, AND COMPUTER SPECIALISTS:

This book shows how you can become a consultant in your technical field and enjoy professional independence and high income. By following the tips and guidance in this book, you can start and manage your own consulting practice.

This book is not a frilly or eulogistic praise of consulting. It shows, in no-nonsense terms, what it takes to be a successful consultant. It gives you marketing, client relations, and self-management know-how that has taken the author twenty years to accumulate, and that is not in print anywhere. The secrets of successful marketing are told clearly and concisely, so that you can concentrate on your best bets and minimize activities that have no payoff.

WHAT IS CONSULTING REALLY LIKE?

I give you a behind-the-scenes look that other consultants are too tightlipped to share. You gain valuable insight into what it is like to be a consultant without leaving the comfort of your own chair!

Many successful consultants portray consulting as mysterious and nearly impossible, like climbing Mount Everest. This makes them look like geniuses, but it doesn't help you figure out how to go about it yourself. I show you, in simple language, how you can *build* on your present knowledge and abilities and *plan* your business growth. I can't do the work for you, but I can *illuminate* your own path to professional satisfaction as a consultant.

LEARN TO BREAK AWAY FROM THE FRUSTRATION OF WORKING FOR OTHERS

Are you an engineering career victim? Are you ready for a promotion that never seems to materialize? Are others in your company passing you in

salary, position, or in their ability to get more interesting projects? Have you been shuffled off to the company sidelines because you are too specialized? Do you work in constant fear of being laid off? Do you suffer from the negative thinking and “can’t do” attitudes of your co-workers? Are you bored or underutilized in your work? Do you want more say about the way things get done? And most importantly, are you getting the most mileage out of your knowledge and abilities? Chapter 1 shows you how to leave all of these problems behind by becoming a consultant!

CASH IN ON YOUR UNIQUE SKILLS!

Have you worked long and hard to attain your technical skills? You deserve to cash in on them! In Chapter 2, I tell you why you *must* assume responsibility for your own advancement and explain why it is so hard to do that within someone else’s company. You will learn why technical abilities are only *half* the story and why you must learn certain business skills if you want professional independence.

I show you why you never have to worry about competition if you develop the ability to *find* situations that match your skills. I’ll tell you how I beat the big-time consulting companies by finding a project that matched my skills exactly! And in Chapter 13, I show you how to *develop* new areas that expand your capabilities.

MARKETING SECRETS MY BOSS NEVER TOLD ME

Want to make your customers eager to obtain your services? It’s not easy, but it can be done by learning how to be an expert in something they just happen to want. You’re not selling oranges, and the way you create demand is different from the techniques used by your neighborhood grocer. The financial rewards are spectacular for those who learn the tricks. In Chapters 4 and 5 you learn the real story behind marketing of technical consulting.

DEALING WITH CLIENTS IS A SNAP—IF . . .

you know what you’re doing. This book gives you a crash course on client relations. You learn the techniques for putting both your customer and yourself at ease. I’ll tell you about my “two-over” method of dressing for client visits, and give you my list of things *not to be done*—“nevers” that could save your professional rear end!

THIS BOOK TELLS YOU HOW TO GET STARTED FROM GROUND ZERO

Many business advisors have limited vision. They can tell you about something only if it *already* exists. Well, chances are that you are not *already* a consultant, and you're wondering what the first steps are. This book gives you sufficiently detailed guidance to make a smooth transition to consulting. For example, in Chapter 6, you'll learn how to sharpen your sales abilities. I'll show you my "secret weapon" that makes clients salivate with interest!

The financial aspects of starting a practice are concisely explained in Chapter 10. I'll tell you why a business plan is vitally important in starting your company. You'll get an idea of typical startup costs for office and equipment and learn the tradeoffs in locating an office in your home versus commercially rented space. In Chapter 12, I'll help you write a brochure for your new business that will display your "wares" and credentials to maximum benefit.

YOU CAN CREATE YOUR OWN FUTURE

If you are stuck in a go-nowhere job, it may seem hard to believe that you have *any* control over your future. But with some encouragement and self-understanding, you can set your goals and "engineer" your own future! In Chapter 13, I'll tell you about my experiences with goal setting. In becoming a consultant, you are not pursuing a *single* business goal, but a whole hierarchy of them. What's so special about this way of describing goals? It shows very clearly *which* goal is the one you must tackle first! And it shows why you can't help but reach your highest professional goals if you follow the planning and evaluation guidelines.

HOW MUCH ARE YOU WORTH?

Many engineers and technical people go through training every bit as intensive and demanding as doctors and lawyers, but they can't seem to make their unique background pay off. Instead, they stick with low-paying positions in large firms and feel sorry for themselves. It doesn't *have* to be that way! You can earn in excess of \$50 per hour by selling your specialized technical abilities!

I remember being told by a well-intentioned boss many years ago, "We think your performance this past year has been spectacular. But we can't give you a raise because money is tight this year and because you are already

at the top of the salary schedule for your level . . .” When you become your own business entity, your worth is not limited by a salary schedule or any other factor that is unrelated to your actual contribution. As a consultant, you can also pyramid your wealth by expanding into a multiperson company—*your* company—or by collecting lucrative commissions for deals that *you* put together. Your income is limited only by the scope of your entrepreneurial vision and initiative!

PROPOSALS AND CONTRACTS

Afraid of writing proposals? Don't be! They are your *key* to winning high income, and they are your chance to show that you can do the job better than your competitors.

In Chapter 7, I explain the basics of proposal writing for the technical consultant. You learn what to say, how to phrase it, and how to price your efforts. I illustrate the subject with real-life proposals, contracts, and quotation letters to give you a concrete idea of the formats. Things are much easier when you have straightforward examples to follow!

A BOLD STATEMENT ABOUT THE REWARDS OF CONSULTING

Are the rewards of consulting worth the effort? Let me answer the question this way: In all my years of engineering, I have *never* met a person who was happy working for another company after being his own boss! Never! Once a person has tasted professional independence, experienced the monetary benefits, and felt the power of determining his own future, he will never go back to a lesser situation!

IS CONSULTING FOR YOU?

I think consulting is absolutely the best career path available to engineers and technical specialists, but it may not be everybody's answer to professional satisfaction. For some, the needed combination of talents, credentials, and attitudes is simply not there, or is too difficult to obtain. For others, the desire to be a part of a larger business organization may be more important than professional independence and high income. To find out if consulting is for *you*, turn to the unique self-appraisal quiz given in Chapter 14.

Harvey Kaye

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H. K.

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How to Leave Your Career Problems Behind

ARE YOU AN ENGINEERING CAREER VICTIM?

The rank and file of almost every engineering firm is full of engineering career victims. Some of these engineers suffer from inadequate pay or low status in their company. Others complain of being treated as a hired hand and not as a professional. Some engineers feel that innovation and professional development in their companies are not only unrewarded, but actually discouraged. Many competent engineers also find progress very difficult beyond a certain point. The individual may be brilliant in his particular area and become known as the "heat transfer person" or "computer architecture expert" in his company. But he can't seem to break through to new areas and responsibilities for which he may be ready. The discouraged contend that the really clever engineer will get out of engineering per se and go into management. As one cynic put it, "Engineering is a profession where one must cease to be an engineer in order to become successful."

This victim psychology will not help the individual grow toward a mature understanding of his career. As the newly graduated engineer starts out, there is no explicit promise that the employer will be committed to optimizing the engineer's advancement. In this respect, many engineers have been confused by unrealistic expectations fostered by engineering schools and corporate personnel offices. The plain fact is: A corporation does not owe its employees much. The engineer, as well as most other corporate employees, is indeed a hired hand. But the engineer's ego will not allow him to sense this business relationship. It is too painful to consider that he could be replaced in the same way as a floor sweeper. The engineer develops a certain blindness, therefore, to the business realities surrounding his employment conditions.

THE SECRET OF SUCCESS: DEVELOPING “GROWTH VISION”

A person must learn to develop the perspective that will allow him to grow from where he is *psychologically*. Yes, engineering does have many negative aspects and shortcomings as a business area. But this is not to say that a person cannot become successful in engineering. As in many areas of life, success is possible if time and energy are expended to build up personal confidence and enthusiasm, *despite* the many shortcomings of the field itself. The price of not becoming a victim is hard work and learning to see the positive goal and not the ocean of negatives surrounding it.

Why am I starting a book on engineering consulting with a discussion of psychology? Because most engineers work in an environment that is not conducive to developing attitudes of professional independence or business self-identity. After many years of marching in line, many engineers become hypnotized into “can’t do” thinking. They focus on reasons why things won’t work or how cost, time, and expediency make change unfeasible. After prolonged exposure to this environment, they absorb their organization’s inertia, inefficiency, and confusion. They assume that they also must behave this way.

CLAIM CREDIT FOR YOUR INNATE CREATIVITY

Innate creativity is destroyed by being ground down by the system of established, bureaucratic engineering organizations. This is not an accusation leveled against organizations. For one is not “ground down” unless he or she willingly accepts that fate. After ten or twenty years on the job, many engineers develop a slave mentality. They see no evil, hear no evil, speak no evil. They have become *less*. They are just trying to coast until their retirement day. These people are sometimes referred to as “company men” and “company women.” Do not look to such people for advice or encouragement, as they do not value the very qualities you will need to survive in consulting: creativity, efficiency, and professionalism.

On many engineering projects, the basic design is dictated by the top manager, regardless of its feasibility. The details are left to the engineering staff and they are sometimes stuck with the difficult task of making an unfit design “work.” I can recall an example of this situation that occurred in a prestigious international firm. The boss invented an all-in-one machine that performed the function of three separate machines. The only problem was that it couldn’t be maintained or repaired at reasonable cost. Each person under this manager who was given the task of implementing the invention came to the same conclusion. However, the price for telling the manager “no way” was a demotion, as three successive subordinates were to find out.

DIRECT EMPLOYMENT VS. CONSULTING— A FUNDAMENTAL CHANGE

As a direct employee, you can become extremely frustrated by not being able to benefit from your own knowledge and judgment. As a consultant, the situation changes in a fundamental way. If you are in a situation where you are not being effective or feel that you are compromised, you have the freedom to find new work at your convenience, without the onus of job-hopping.

Please don't think that consulting is a bed of roses! On the surface, it might appear that consulting is an activity where

- You don't have to answer to anybody.
- You can do anything you want.
- There are unlimited funds to pursue professional interests.
- You can now do "creative" things.
- All business expenses are "free."

This is not the case. Moreover, the consultant will find a new and different set of constraints that now apply to him as a small business entity. However, for some engineers, consulting may be the best way to maximize professional goals and personal independence.

Operating your own practice has a number of advantages over direct employment in a large company. The small business has the flexibility to react to changing markets and business conditions. Large corporations have so much inertia that they may not be able to change rapidly enough to take advantage of new situations. Capital equipment considerations may even lock a large company into a waning or unprofitable market.

The consultant can refuse assignments that she knows to be potentially hazardous to her credibility. In contrast, a large company may allow an individual to be a sacrificial lamb in situations where the company's welfare is at stake. Of course, the direct employee has the option of refusing a particular task, but that usually results in the ultimate loss of employment.

GAIN CONTROL OVER YOUR FUTURE!

Much of the engineering work done in large companies leads nowhere in terms of professional advancement or growth. As a corporate employee, it is difficult to control what projects you will be engaged in, and you may not have the visibility to understand where each particular project leads. Once