

# How to start a Consulting Business and Help Local Business Owners in your Area (5 Steps & Skills to succeed as a Consultant)

---

[neiljcfranklin.com/how-to-start-a-consulting-business/](https://neiljcfranklin.com/how-to-start-a-consulting-business/)

**Updated — April 2020**

Starting a **consulting business** can be a very rewarding and lucrative experience. and don't think that it is only for **Harvard MBA's** and highly educated people – if you have the expertise that a group of people finds valuable, then there is a very good chance that they will pay for that expertise.

Want some ideas about what type of consulting services are out there? Take a look at these **50 opportunities** to get an idea and you will see that a lot of those opportunities will be applicable to local businesses, which is what we are focussing on in this article.

The great part of dealing with local businesses is that they are reachable, a lot easier to navigate through than the larger corporations and you have a greater chance of getting hired if you can demonstrate a clear, concise **value proposition** based on your skills and we will cover this more as we walk through the steps.



Let's walk through some of the steps to get you started your consulting business and succeed as a consultant.

## 5 steps on how to start a consulting business

---

### Step One – Perform a Thorough Skills Evaluation

---

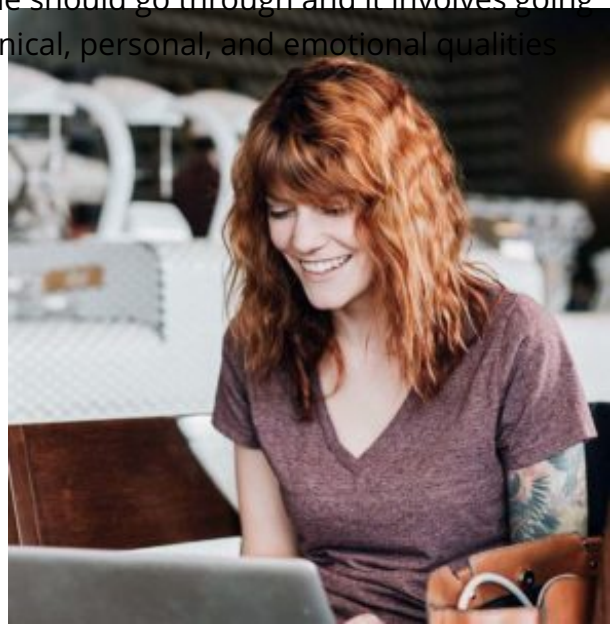
Here you need to sit down and work out exactly what skills you have and what services you are qualified to offer – I don't just mean 'educational qualifications,' but the experience that you have gained in relation to the services you will offer.

Obviously, if you are going to offer taxation or financial accounting advice, for example, you will need the relevant professional qualifications and the next thing to do is to go away and create what I term your **Master Resume/C.V.**

This is an important step that I believe everyone should go through and it involves going through your life history to work out your technical, personal, and emotional qualities (**Emotional Quotient** or **EQ**).

Many people understand the concept of **Intelligence Quotient (IQ)**, but **EQ** is now just as and in some cases more important.

As a recruiter for over 35 years, I am well used to digging through someone's resume to look for as much tangible value as possible. When I am presenting a candidate to a client, I will always make sure that each person has a clear **Value Proposition**, just like the one I talked about for providing consulting services, as in reality, that is what the company will buy, whether you are hiring a person, consultant or consulting company.



This will be a highlighted area on the front page of the resume that will stand out and show clearly, the benefit of hiring that person. I would take whatever time it took to do this during the process of creating the master resume.

So you have your 'master resume' which will contain everything about you and then the one you will tailor specifically to the opportunity you are going after and this step is important for people who want to start a consulting business as so many simply under-sell themselves.

If you are starting out on your own, it is vital that people not only understand what you are going to do for them and what problems you are going to solve, but that they know **'who' you are** as well.

Back to EQ and what some term **'soft skills,'** which are the same – in today's fast-paced world of ever-increasing **automation**, it is vital to be able to demonstrate the **'human factor'** and this will definitely help set you apart if say there are two or three people or companies going after the same opportunity.

Don't skip through this step thinking it is not important – when I am helping an individual prepare a resume or a company rework its message, the people concerned are usually amazed at the little things I will pick up on that I know will truly set them apart.

In the recruiting world, I have created many jobs that didn't exist simply by articulating the person's value and also created many a marketing message that will immediately scream out to the market and open up more opportunities.

When you are selling to local companies there are advantages as I have mentioned, but usually, the owners are far more cash-conscious than their large corporate counterparts and here you really need to be aware that building trust is critical, especially when you are starting out and I would rather have an information 'overkill,' than a 'no-kill!'

## Step Two – Who Are You Going To Serve?

---

So you know your skills now better than probably ever if you have performed the audit as described and now it is time to package them into an offering as you would think.

But hold on for a moment...

Let's look at a way of reverse-engineering the process.



**Google** is your friend and doing **keyword research** in your industry can tell you what people are searching for online and when we get to the website section of the steps it will form a valuable part of your **SEO strategy** and I personally went **through this course** to understand the process more deeply and remember I am 55 and it's not that I didn't understand **SEO**, as my companies have used it extensively over the years, but I wanted to understand it to further my own learning and expertise.

**Google** also offers many other analytical and support tools and services for startups and you should investigate them all.

So the Internet gives you a way to find out the problems and then package your offering accordingly, which is far easier than starting out in the pre-Internet days!

Let's say you want to start a web design consulting service – where you will be building websites for startups, re-designing them as well as consulting with people of what determines an optimal website or as I like to say a functional website.

Remember as a consultant you are offering expertise and advice and many consultants leave 'money on the table,' simply because they don't think of the big picture. Sure, you need to specialize, but in the web design business, you may want to offer a full service of say design, optimization, and marketing. In this way, you drop the 'design' part from the service description and put it into the explanation of what you can do.

You can work out a sub-contract arrangement with other consultants who perform the tasks you don't and also learn the skills yourself.

Always think of the client and for me, when web designers approached me for my site designs, I asked them about marketing and most said they couldn't do it or even recommend someone, so I would wait until I found what I wanted. I didn't care if they subcontracted the work, I simply cared about the outcome.

And so should you – keep to your area of expertise, but cover obvious service gaps.

Put a good deal of time into this step and you will enjoy the rewards as many people just don't do enough research or dig deep enough into their market.

Finally, as a consultant, make sure you keep up with market trends and what is happening – you want to make sure that you are a true **Subject Matter Expert** and that you stay ahead in your field.

### Step Three – Develop Your Business Plan

---

I cover business planning in more detail in **this article here** and I will tell you that I am a fan of keeping things simple and focussing on **sales** and **cash flow**, which determines the success of any business.

The most important things to consider here are what are you going to achieve in revenue terms quarterly, what pricing model are you going to use, what credit (if any) are you going to offer your clients and when do you expect your first invoice to be paid?

This is an oversimplification, but it is essential that you know the above and can then build a model to operate the business and I would suggest being ultra-cautious and way underestimating sales and also the frequency of your invoicing.

As you are starting out and working with local companies, you want to make sure that credit periods are kept to the absolute minimum and I would suggest asking for an upfront payment of say 50% of the project value. I would also suggest that you explain exactly to your clients as to how you work commercially and its no good having the latest online **accounting and CRM software** if you are not going to get paid.

Your research should give you information about current pricing models for your services and then it comes down to what value you offer and articulate to fine-tune it.

Risk management is critical to business success however small or big you are and this is where you need to ensure that you constantly aware of the trends and threats to the industry – make sure your **S.W.O.T analysis** is always current.



You've heard the phrase "fail to plan and you plan to fail" and you will get no argument from me here because it is true!

## Step Four – What Is Your Business Operating Model?

---

Here you will need to incorporate a company or operate as a sole trader or partnership and for information in the **US look here** and for information about the **UK look here.**

You will also need to talk to professional advisors in the field of accountancy and law to make sure you cover everything and also to look at what insurance coverage you will need.

Now we come to the model – how is it going to operate and where from?

It is far more common than ever to work from home these days and it is the first and obvious choice as a startup...or is it?

Some people simply do not have the discipline to work from home and are easily distracted. I worked from home when I started my first recruitment company and it was easy for me because I was extremely driven, motivated and was hungry to grow my company. I know of a few people who cannot work from home because they simply find it too distracting and especially if their partner or family members are at home.

As a consultant, you need discipline and motivation – especially as those projects start rolling in, so make sure you give this careful consideration, but it is also silly to have any costs you don't need or that will not benefit the client.

The most important part of your business model is to think like a startup – you need an operation that is extremely lean, efficient and makes use of available technology, and don't spend money on anything that will not add an immediate benefit to your client, so forget the latest smartphone and tablet, forgo the new car that you had planned and remember your client only cares about what you do for them and little else.

Be aware that you may also be writing a lot of proposals and reports for your clients, so brush up on those business writing skills and take the time to develop simple templates for your work so that you can replicate what you do easily.

## Step Five – Your Website And Marketing

---





Here is one thing that you must absolutely do from the start – get a website and remember that your website is not simply an online presence or a virtual shop window.

Your website should be your hardest-working salesperson.

Anything less should be unacceptable to you and for all things websites, I suggest you talk to **Fernando**, who will personally guide you through the process.

This will be the first 'face' of your business and explain clearly the message you want to deliver to your market, what you can do for them and most importantly it can save you time in answering the endless questions that consultants would have to answer not only in the pre-Internet days but also today when people cannot get answers that could easily be obtained from a well thought out, well designed and functional website.

I have met and worked with many consultants during my business career from one-person specialized operations to the large management consulting firms and everything else in between. What I always do is my homework and that means looking for information about the people and today it's a simple online search.

It amazes me today that people do not build the right online presence and some even try to sell the fact to me that they deliberately leave out a lot of information on their sites because their goal is to get in front of the client and sell their services face-to-face.

Of course, you want to be in front of your prospective client as you are targeting local business owners, but today's buyer of any service or product is far savvier than ever before.

The Internet has turned us into a 'buying,' rather than a selling economy and you only have to look at Amazon to understand how the landscape has changed. You can compare, review, buy, and return goods from your mobile today and that means your clients will be doing the same.

I have been selling since I was 19 and have watched this shift – I have always preferred fact-based and educational selling, with the idea to use the information to create a no brainer compelling 'value proposition,' where the buyer wants to 'buy.'

Your website is ideal for this purpose and with the right **marketing strategy**, you can **direct traffic to it** and **search engine optimization** greatly helps with building a brand online and driving the organic traffic to the website for search engines like Google.



As you are starting out you will not have any customers unless you have done some free work which you can showcase of course, but you can also highlight the successes you have had in your career to demonstrate your expertise and your website will also be the foundation of your own personal brand.

I also suggest you build your own 'list' of customers and hold them on your site and hear you can take advantage of **email marketing**.

I would like to go a little deeper into **email marketing** as it is an extremely powerful method to use when you want to grow your business.

I was so excited when I had my first email account back in the early 1990s and I remember the days vividly — rushing to connect my modem (we were in the **dial-up Internet** days) and hoping that someone had sent me an email!

Fast forward to today and we are almost fearing to open our inboxes because of the sheer volume of mails and of course, we are pretty much permanently connected to the net at speeds I could only have dreamt about back then.

Savvy marketers rapidly understood the value of **email marketing** and you should understand it too.

But it has to be done correctly the right way — I am on the lists of many marketers and I have bought various goods and services over the years, so it works...but I am very quick to unsubscribe from the list if I believe the email is too pushy or filled with cliched phrases.

Here is a great and comprehensive article, **[“Email marketing statistics you need to know in 2020”](#)** and one takeaway is that over 59% of marketers say that email provides their best ROI.

It is written by **[Dawn Matthews](#)**.

Now to Social Media and it is also a very effective method of getting clients as you can see from the amount of advertising there is on ***‘how to start your consulting business online*** etc.

I will just provide a few words of caution here and that is to say that you must remember that any content on Social Media platforms is governed by the owners of those platforms and the rules of the game can change in a heartbeat.

Let's also look at some traditional forms of marketing and one of my favorite ways to get new business quickly is to pick up the phone!

Of all the methods out there, it is the one I would use if I were starting a consulting company to help local business owners in my area – worried about not being great at sales?

Don't – all you need to do is to explain three things:

1. Who you are
2. What you do
3. The benefit to the client

You don't even have to do the above in the order – I know people who open up a sales call with something like this:

***“I offer cold-calling services for business that guarantee qualified xxx amount of qualified leads per week and my current leads to sales conversion ratio is 5:1, by the way, my name is xxx and I would like to send you some brief information about how I operate and some industry facts that are relevant to your business.”***

Do whatever makes you comfortable, but the goal is to get some information out to them, so you can follow up later and before all the sales guru's out there jump all over this approach and say go for the appointment straight away,” I prefer a softer approach and many times by not going after the appointment, I get it anyway!

But there is one 'rule' – never make a cold-call without doing your homework about the company you are going to call and this is so much easier due to the Internet. Cold -calls are 'cold' usually because there is nothing to base a conversation around!

As we are talking about targetting local businesses, you have the option of simply turning up and introducing yourself in the same manner.

I was mentoring a lady a couple of years ago who was making home-produced organic goods such as gluten-free products and specialized desserts and she was absolutely petrified of selling.

She wanted to grow her company and was attending networking events to do so and I came up with a plan of targetting key restaurants by researching their dessert menus and compiling a list of those that didn't offer what she had. The approach was to simply walk in with some nice menus, with great photographs and some samples and nobody turned her away and she built a nice client base.

Networking is also key and in today's business world there are so many events that you can attend, but be selective and pick the ones where you know business is being done. In the US for example, there are loads of 'chamber of commerce' organizations that exist to promote business in local cities, and **here is one in a City I used to live near.** In the UK you can look at **business networking groups** and also the **Institute of Directors.**

There are many ways to market your services to local businesses and I suggest that you look at all of them and find the ones that resonate with you.

Putting It All Together

---



Time to now get that consulting services business moving and that's the best part – don't make the mistake I and others have made and jump straight in without giving the steps detailed consideration, it will only slow your progress even if you get off to a great start from the beginning.

You should also consider getting yourself a mentor who has 'been there and done it' as you will be facing the unknown to some extent and not in terms of consulting, but running a business and I know many business consultants who are excellent at giving advice to other companies but fail to look after themselves.



Remember always that you will experience tough and challenging times – it is part of the process and especially in the beginning.

I know many consultants who are extremely successful in what they do and that should motivate you to get out there and get started and don't forget that everyone has to start somewhere!

**Neil Franklin**

Business start-ups Consulting Entrepreneurship

Last modified: April 29, 2020