

aCE talentNET Global Consultant Study 2009-10

Introduction

What you want, when you want it, and how you want it delivered...

...is what we endeavoured to find out in this year's annual aCE talentNET Global Consultant Study. Where we invited all consultants to share information about who they are; what their consulting business is about; what their wants, fears, hopes and frustrations are; and what else aCE talentNET can be doing for them to increase the value of the collective relationship.

The Study is about understanding how a Corporate Talent Agent like aCE talentNET can better serve consultants, and their consulting business. It was a chance to explain exactly what was wanted, together with what is done well and what can be improved. It is ultimately about understanding how to increase the Consultants' bottom line, thus providing targeted assistance to do that.

Information was collected via the Online Survey, together with in-depth phone interviews conducted by an aCE talentNET corporate talent agent. Not all NETwork consultants were called, with an approximate hit rate of 10%.

Responses were gained from many sources including, but not limited to, the extensive aCE talentNETwork, Linked In and via referral. The total number of responses represented around 10% of the NETwork.

The Online Survey questions took approximately 15 minutes to complete. All the data collected has been collated and evaluated, forming the final report. This report is now being used as the basis for the aCE talentNET strategy moving forward, continuing to focus on the comprehensive strategy for consultants of the aCE talentNET community.

All submissions are confidential. No personal information is included in the final results.

The report, as with the Study, has been split up into three parts:

1. About YOU

Understanding the demographics of the consultants

2. About YOUR consulting business

Understanding more about their business of consulting

3. About aCE talentNET

Whilst the majority of respondents were Australian, a sprinkling of consultants from the USA, Africa, Asia, UK and Europe also contributed.

What additional services can be provided for Consultants?

As with the previous year, the key factors impacting consultants are summarised as follows:

- Ability of consultants to generate regular income/more business? How to penetrate new markets?
- How to get the next sale? How to sell/market?
- How to know what to charge for services? How to value the offering?
- How to differentiate the offering given what others are doing?
- How to tap into like-minded professionals when a project dictates additional resources are required?
- How to manage the business/cash flow?
- How to know when to outsource?
- How to stay current with latest thinking? How to apply that to existing offerings?
- How to balance delivery with the next assignment? How to flatten out the peaks and troughs?

Given that many of the key factors raised this year are very similar to that of last year, the question to be asked is why?

Is it because what aCE talentNET offered in response during 2009 did not meet the mark? Or is it because what was offered was not acted upon? Which in turn raises the question, if not why not?

Is it more about being so busy doing "stuff" that the time is not taken to work ON the business of consulting? The answer may very well lie somewhere in between.

What we do know for sure is that unless your consultancy is treated as a business, with all the "departments" addressed, the same questions will continue to arise.

Denise Hall

Executive Director

engaging Talent to drive organisational development results for business

aCE talentNET Pty Ltd, 126 Fordham Ave, Camberwell VIC 3124 **abn:** 34 109 626 128
t: +61 3 8503 7598 **f:** +61 3 9889 5314 **e:** consult@acetalentnet.com.au **w:** www.acetalentnet.com.au



Executive Summary



How Do YOU Choose?

engaging Talent to drive organisational development results for business

aCE talentNET Pty Ltd, 126 Fordham Ave, Camberwell VIC 3124 **abn:** 34 109 626 128
t: +61 3 8503 7598 **f:** +61 3 9889 5314 **e:** consult@acetalentnet.com.au **w:** www.acetalentnet.com.au



There are many key areas that both consultants in general, and aCE talentNET, can continue to focus on at both a strategic and operational level. Ultimately to enhance mutual benefits in terms of increasing our collective bottom-line.

For the purpose of this report, to **define what the term 'consultants' mean**, the following characteristics were most prominent:

- Male 54% and Female 46%
- Independent (76%)
- Generally older than 30 (97%)
- Have been in the consulting industry for approximately 5 or more years (66%)

Many are ex-corporate full-time employees coming out of industries such as education, government, banking and finance, and large consultancies. All appear to have worked across varied industries also.

Words such as independence, work-life balance, flexibility, be own boss, lifestyle, get away from corporate life, autonomy, freedom and ability to determine own direction continue to feature significantly when consultants describe why they became a consultant. Plus, **new ones added to the mix; to do better than what was currently being offered and to get over the pay cap that happens in the large organisations.**

Another, **taking opportunities as they presented**, is a possible indication that becoming a consultant was not necessarily a focused strategic career move.

Interestingly enough, no mention was made of wanting to firstly create a business as such, with the view to building it. There were many comments about the perceived benefits of going out on ones own, but no mention of wanting to do the things that need to be done in order to cash in on the said benefits.

Defining characteristics of a consultants' marketing activity

The majority of consultants will spend the same, or more (58%), on marketing activities this year, with most spending up to \$5000 for the last financial year (75%).

In regard to understanding the ROI (return on investment) of marketing dollars invested, **86% of**

consultants do not have a clear growth and marketing strategy, and even fewer have clear metrics defining the success (or otherwise) of their marketing spend. Many have metrics per project, but not around the marketing specifically.

So, how does a consultant answer these two important questions?

1. **How and where should the marketing budget be spent for maximum impact?**
2. **How effective was that choice?**

The main marketing activities being undertaken to enhance brand and achieve growth currently are:

- Keeping current of latest thinking/trends (62%)
- Members of relevant associations (61%)
- Website development (46%)
- Publishing articles (32%)
- Keynote speaking (31%)

However, the main activities chosen to be the most important to achieving growth are:

- Collaboration with different affiliates/partners (65%)
- Keeping current of latest thinking/trends (42%)
- Defining a Value Proposition (38%)
- Freeing up time to spend on what's wanted (38%)
- Keynote speaking (34%)

With the main attributes to attracting business identified as:

- Reputation and cultural fit (71%)
- Keeping current of latest thinking/trends (66%)
- Finding the appropriate market (46%)
- Accessibility, easy to find (42%)
- Price and benefits (32%)



There has certainly been a shift in the last 12 months towards more market driven activities. This is probably obvious given the GFC the economy is coming out of. There is evidence that the three areas of marketing are starting to align.

Be that as it may, we can still draw the conclusion that a majority of consultants are living on reputation alone, being of the view that will get all the work that can be handled.

The question therefore still remains; are the activities that are believed to be important actually delivering the more work that's required (and wanted) on a consistent basis? It would appear not.

No surprise then that **the key challenges encountered (despite the many growth and marketing activities undertaken) still are:**

- Finding client projects
- Flattening peaks and troughs of workflow
- Marketing and lead generation
- Locating and collaborating with others to share projects
- Generating continued more work, and therefore ongoing income

The main point here is that if the client and/or potential collaboration partners cannot distinguish one consultant from another, the same key challenges will continue to be repeated.

As Independents, the main metric used is:

- Number of projects (52%)
- Referral rate of projects (36%)
- Retention/Reuse rate (35%)

These remain fairly typical, and could imply a marketing ROI component. There is still no mention of specific ROI metrics on growth and marketing activities.

Consultant communication channels

Many consultants now have a website, and are consistently updating it (46%). However, based on the preceding conclusions, again the question would be why?

Is the website a brochure only or is it to generate leads? **Assuming the website is to generate leads, then the key questions are; how is it found? Where are the metrics?**

Other communication mediums of note are:

- Keynote speaking (39%)
- Publishing articles (33%)
- Running public programs (31%)
- Attending Alumni events (24%)

When asked what activities were used to attract business, only one of the main communication mediums rated a mention. Again it begs the question – **why do these activities if not to attract business?**

As with last year, the most used by far in terms of enhancing brand, growth and marketing was:

- Client Relationship Management (67%)
- Developing yourself (54%)
- Becoming accredited in tools/programs (35%)
- Communication your Value proposition (32%)
- Keynote speaking (28%)

As an Independent, maybe one or two clients provide more than enough work. However, **reliance on a few clients is fraught with danger. So how does concentrating solely on the existing clients do the best, overall?**

'Developing yourself' activities are certainly a step in the right direction, but the key is deciding on the right activity? **If selling the latest tool kit is not currently working, then maybe it's more about the selling than what's on offer.** If it's skill development in marketing strategy and execution, and fundamental business skills specifically for consultants, these will always have the potential to add significant value, as long as the learning is actioned.

Interestingly enough, half of consultants identify that "building a business" is the priority, with the other 50% "looking for more work".

Primarily these require two fundamentally different mindsets. **To build a business, the consultancy has to be treated as a business, regardless of whether it's run by an independent or a team of consultants.** If that's not happening now, then it's imperative that the entire growth, brand and marketing strategy is revisited, and most importantly, executed with that mindset.



What can a Corporate Talent Agent do for your consulting business?

The key areas of assistance being sought from a Corporate Talent Agent this year are:

- Generate keynote-speaking opportunities (55%)
- Downloadable regular book summaries of latest global thinkers and best sellers (36%)
- Quarterly consultant get-togethers for networking and development purposes (33%)
- Access to a list of preferred PI & PL Insurance providers (32%)
- Access to developed and tested templates (32%)

When asked about a fair and reasonable price for what's noted above, the indicative average price for such a service ranged between \$50-\$100 per month, with some indicating they would pay up to \$300 per month.

And what is wanted on a website includes:

- A consultants 'forum', to enable discussions about all things consulting (52%)
- A section for all consultants to 'advertise' potential consulting projects/ project development initiatives (36%)
- A mechanism to access a team of consultants for larger projects (34%)
- Case study examples of the types of projects (33%)
- Consultant training and development opportunities listed (32%)

In terms of the two main requests from last year:

- Access to an affiliate program, where you can refer work you can't do, and in turn earn passive income....
the aCE talentNET Referral Program was launched; full details are available on the web site.
- Coaching/Mentoring program for all consultants, equivalent your respective experience level...
this is still in production, however **the Australian Consultants Guide, and Consulting Mastery ebooks are readily available via the AdvantEdge.**

When asked who took advantage of the Talent Tuesday initiatives introduced following last years study results, 57% said they had not, and a further 38% indicated that they hadn't yet but intended to.

The resounding reason given for not doing so was not having enough Time...

Even if time is perceived to be the issue for not doing many of the activities required to build the business, **the way the available time is used will determine how well the business grows.**

"If you always do what you've always done, you'll always get what you've always got"



Summary – Key Questions/Points

As with last years study, there are many key areas that both consultants in general, and aCE talentNET, can focus on at both a strategic and operational level to enhance mutual benefits in terms of **ultimately increasing our collective bottom line**.

However how much time, effort and budgeted money is still **potentially wasted on activities that are not focused on specific, measurable marketing i.e. resulting in more business?**

In addition, how much time, effort and budgeted money are invested in researching and sourcing these activities? These questions were raised as a result of the 2008-09 Study, and it would appear they continue to be on the agenda.

Certainly, the Associations and Bodies listed (in the report) would offer part, or all of the types of development activities of interest, in some form or other. But for most, **the cost of the association membership does not include these activities**. Is that therefore the best way to spend the hard-earned marketing budget dollars? Much of what's offered by these memberships are more professional development in nature as opposed to being true business development learning around how to push the consulting offering out into the market, convert it to sales and then measure not only sales but the steps along the way.

There are still a number of marketing and growth initiatives that consultants are currently investing time in that would appear not to be delivering the additional work wanted. Why the disconnection? Surely the areas in terms of growth and marketing need to align to glean real attraction and therefore ROI.

A further consideration is, not only to start doing the activities that directly relate to bringing in more work, but also to measure them. What are **the best metrics to use** to capture data most relevant to the growth of each independent business? It's about working out the specific activities, and the "what" of the measurements will fall into place.

In terms of **websites, most consultants have one but the key question is why?** How much analysis is done on the website per day/ month/ year? How many leads does in generate? Website metrics continues to not rate a mention.

Whilst "Client Relationship Management" is unquestionably important... how does it alone grow and market a business in its own right, other than inside the respective client work groups? As an internal referral it might, and as an independent, maybe one or two clients can provide more than enough work. However, **reliance on a few clients is fraught with danger. So how does concentrating solely on the existing clients do the best, overall?**

'Developing yourself' activities are certainly a step in the right direction, but the key is deciding on the right activity? **If selling the latest tool kit is not currently working, then maybe it's more about the selling than what's on offer.** If it's skill development in marketing strategy and execution, and fundamental business skills specifically for consultants, these will always have the potential to add significant value, as long as the learning is actioned.

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Even if time is perceived to be the issue for not doing many of the activities required to build the business, **the way the available time is used will determine how well the business grows.**

Clearly, there is always much that a Corporate Talent Agent can be doing to assist consultants find more business. Creating more time, however, is not one of them. What can be done is to continue introducing ways to best set up a consultancy practice, with the view to leveraging available time in the best way possible.



Thank you to all who took the time to share their feedback, and their kind testimonials. It has been a pleasure. You can of course drop us a line at any time by contacting us via the details below, and/or by going to the **Contact Us** section on the website.

Best of consulting luck to all.

The team at **aCE talentNET**

Who is aCE talentNET?

To recap, **aCE talentNET** is a Corporate Talent Agent; who facilitates the matching of consultants with projects. We engage and represent Talent specialising in Organisational Development, for business.

This is achieved via the engagement of consultants and contractors for all stages of a project, regardless of the duration. Government departments and organisations large and small tap into **aCE talentNET**'s expertise and **talentNET**work, to achieve positive results by engaging Talent who are available, pre-qualified and highly skilled; and have been doing so since 1997.

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