Turning Common Conversations into Consulting Contracts

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Consulting takes on many forms in today's organizations. From traditional external consultants who join an organization to assist on specific projects to the modern internal consultants who often sell their services to many organizational units, consulting has become an essential ingredient to the business model of many organizations. As part- or full-time consultants, moonlighters, entrepreneurs, internal advisors, or external partners, consulting offers many professionals a range of unique opportunities to share their ideas and expertise with new organizations. Consulting, in any of these forms, can often help organizations improve their performance and lead to exciting opportunities for everyone who is involved.

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Opening the doors to new opportunities isn't, however, always an easy process or one that can be mastered from reading a few good books. Experience is an essential ingredient to success in sales, whether is it selling learning management software or a conceptual framework for designing effective e-learning courses.

At conferences, on airplanes, in the classroom, and even on vacation, it is often easy to find people who are interested in the concepts and ideas that we have developed over our years of professional service. But turning those interesting conversations into consulting contracts is tricky at best. Based on this premise, I have found it useful to talk with experienced professionals who have nurtured many interesting conversations into very exciting consulting opportunities.

Recently, I took the time to ask a friend and colleague a few questions about his strategies for turning casual discussions into consulting dollars. Beyond his role as a faculty member at Florida State University's prominent program for instructional systems, Roger Kaufman has provided a variety of consulting services for hundreds of organizations that surround the globe. Many of clients are among leading corporate organizations (such as, Motorola, Microsoft, Chase Manhattan Bank, Shell Oil, IBM) while others provide everyday products that we all enjoy (like, M&M Mars or the March of Dimes). His clients also include small companies in South America as well as large government clients in countries from Australia to Germany. Based on these experiences and his many successes a consultant, I asked Roger for some suggestions and tips for turning colleagues into clients.

Ryan: At conferences and other events, experienced professionals are often invited into discussions and asked for advice only to discover that turning those conversations into consulting contracts it is more difficult than expected. What general advice can you offer colleagues who are looking to turn those discussions into consulting dollars?

Roger: Listen to the potential client and identify both what they are asking for and what they should ask for. Be ready to offer something unique and also that which will add measurable value to them.

Ryan: Are there any tactics that you use early in conversations to illustrate for potential clients just how much information or advice you are willing to share with them at no cost and what ideas they will have to pay for in a consulting contract?

Roger: Find some area of your experience and theirs that overlaps. Build a connection based on common ground. It can be over the topic at hand or geography. This helps you "humanize' the interaction.

Ryan: How do you balance between offering potential clients enough information that they will become interested in your consulting services, without providing them with so much advice that they no longer require your services?

Roger: I don't worry about giving them too much information. If a simple conversation can help them be successful, that is fine. It is only if I can actually add value to their organization that I want to work with them.

Ryan: There are many sales seminars and videos on "closing the deal." What techniques do you use when trying to get potential clients to write a contract for services?

Roger: Tell them you would like to work with them and ask them to identify how they see you contributing.

Ryan: What type of potential clients do you find most difficult to move from good conversation toward a consulting contract?

Roger: Ones who already have the solution fixed in their minds. If they are not open to defining and justifying their problems and opportunities before rushing into a solution, I don't want to work with them.

Ryan: Do you recommend that consultants set their initial fees at a high amount and use reductions in those fees as a tool to motivate potential clients into offering a contract?

Roger: First, determine how much you want to work with the client. Then give your usual fee (unless you have a different charge scale for educators, NGOs, etc.) and if you think it is too high, let them know that you are open for discussion if that doesn't fit their budget requirements.

Ryan: What sales or marketing advice would you give new professionals who are interested in offering consulting services to organizations?

Roger: Peter Drucker differentiates between "selling"—when nobody can actually use what you have—and "marketing" where there is an overlap of what you can deliver and what the client can really use. Market. Don't lie, don't cut corners. Charge what you are worth, and never do anything to just get the money. Never.

Ryan: How important are follow-on contracts to consultants in distance learning and related fields?

Roger: Important, but don't string people out with partial help in order to keep up the cash-flow.

Ryan: What characteristics do you find most organizations are looking for in the consultants they hire?

Roger: Most, unfortunately, are looking for someone who strokes them and their pre-existing solutions. At the end of the day, they want success and you have to find if you can contribute to their success while not compromising your ethics.

Ryan: What, if any, resources would you recommend new professionals review when preparing to offer consulting services to organizations in their field?

Roger: I would have them look at the Organizational Elements Model (OEM) and identify how you can help them align and link all of the elements.

Ryan: What additional questions on this topic should I have asked?

Roger: How much am I going to charge you for this interview.

Note: Thanks again to Roger Kaufman for volunteering to share the wisdom of his experience. Any opinion, findings, and conclusion or recommendations expressed in this material are those of the author and do not necessarily reflect the view of the National Science Foundation.