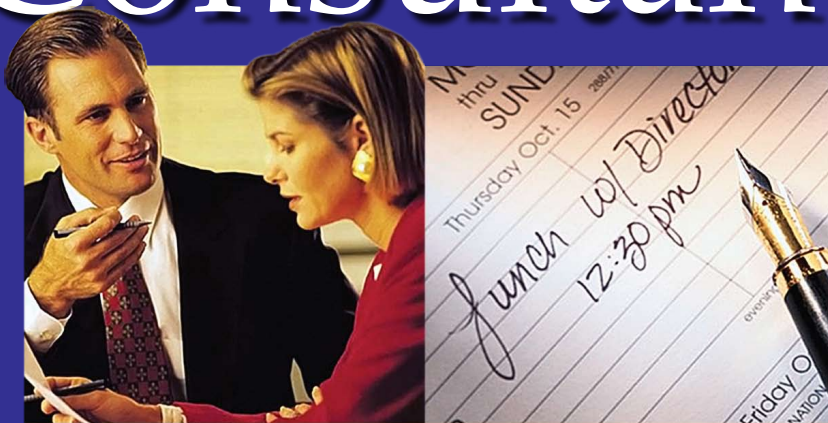


Get paid to give business advice!

FabJob Guide to  
**Become a  
Business  
Consultant**



**CRAIG COOLAHAN, TAG GOULET  
AND MARG ARCHIBALD**

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## 1. Introduction

### 1.1 Welcome to Business Consulting

Congratulations on your decision to join one of the fastest growing and most lucrative professions in North America. According to the U.S. Census Bureau publication *Statistical Abstract of the United States: 2009*, management consulting services generate more than \$120 billion in annual revenues.

A rewarding profession intellectually as well as financially, consulting was named one of the eight “best careers” in a 2006 poll conducted by Harris Interactive for *The Wall Street Journal's* executive career site. In this FabJob guide, you will learn about life as a business consultant and how to use your problem-solving skills to enter this exciting profession.

#### 1.1.1 What is a Business Consultant?

Like others who decide to become a business consultant (also known as a *management consultant*), your first introduction to this career may have

happened when you observed someone consulting at your employer's office. When the consultant was in the office, he or she likely had the full attention of management and was involved in asking important questions and reviewing key company data. Before long, the consultant disappeared, leaving a wake of changes and earning a tidy sum of money.

Chances are your employer felt the consultant's fee was well-deserved. That's because business consultants help businesses and other organizations identify problems, and recommend solutions to those problems. The University of Chicago's Career and Placement Services defines business consultants as:

“Problem solvers and advisors who contribute an objective point of view. By using fact-based, analytically driven thinking to break problems down into components and solve each component, consultants reach a single perspective on a problem.”

Corporations, small businesses, governments and non-profit organizations hire business consultants to draw on their experience, apply their critical thinking skills, analyze, and ultimately recommend and implement solutions.

Business consultants focus on one problem or a cluster of related problems in each *project* (also known as an *engagement* in the consulting world). At the completion of that engagement, the business consultant may take on another project to solve a different problem within the same organization or move on to a different organization and their problems.

## 1.1.2 A Growth Industry

Why has business consulting experienced such a surge? In the 1980s and 90s business streamlined to operate more cost-effectively. At that time, they let go many of the internal experts who had specialized knowledge outside the core business. But now, the complexity of doing business in today's global economy has forced many businesses to seek expert advice on those same issues. The ideal solution is to bring in, short term, a consultant with exactly the expertise required.

For example, an automotive manufacturer's expertise is building cars, but as the recent economic downturn has shown, there is much more to being successful in the automotive industry than production. The automotive business is a vast web of production, marketing and financial issues, just to name a few, and no one company can possibly excel at everything.

Fortunately for business consultants, the world has become increasingly specialized, requiring consultants who specialize in everything from call centers to human resources, from quality control to small business management. In fact, many corporations feel that it is not to their advantage to spread their expertise too thin, and prefer to concentrate on being the best at their core business. The result is that they turn to business consultants to bring expertise to essential but non-core areas of their business.

Another reason for the growth in business consulting is the continued trend of hiring employees on a contract basis. Despite typically paying business consultants a higher rate than an employee, companies feel that they receive a better deal with a consultant because they get expert advice without having to make a long-term commitment.

*"Companies have limited staff and need to occasionally add additional labor and expertise to even out their low points. Also, the structure of many companies lends itself to cliques that tend to narrow perspectives. Hiring a business consultant forces companies to ask the tough questions that aren't being asked internally. In one sense, business consultants 'shake things up,' but in a controlled manner."*

— Linda Paralez, Ph.D.  
Demarche Consulting Group, Inc.

This phenomenal growth and opportunity has not gone unnoticed by those graduating from top business schools. Approximately 30-35 percent of MBA graduates enter the consulting profession.

But it's not only MBAs taking advantage of this opportunity. According to the U.S. Bureau of Labor Statistics, 28% of consultants do not have a degree of any kind. Individuals with diverse backgrounds are having tremendous success and are emerging as major players in the business consulting industry.

### **1.1.3 Business Consulting as a Profession**

Business consulting is an exciting, dynamic profession that offers individuals with diverse specialities and experience the opportunity to showcase their talents and make a good living doing it.

Business consultants primarily work in one of two ways: as an employee or as an independent consultant. Employees generally work for consulting firms or for large corporations that keep business consultants on staff. Independent business consultants have the same skills as their salaried counterparts but they are entrepreneurs charging businesses for their expertise.

#### **Work Hard, Play Hard**

There's an old saying that goes: as a business consultant you'll only work half days – 12-hour days, that is. The contract nature of business consulting means that in order to meet client requirements, consultants must commit 100% of themselves to the engagement. This means long hours.

The upside of this hard work is that management in many consulting firms recognizes the intense nature of engagements, and subsequently offer their employees a minimum of four weeks paid vacation. As an independent consultant, you'll be in a position to take the jobs you want. For many, this means going all out for three to four months and taking weeks off in between engagements. In either case, you'll have the money to really enjoy your time off.

#### **Where You'll Work**

Where you work as a business consultant depends on whether or not you work for a consulting firm or independently. But it is also determined by the needs of your clients. Generally you'll find that your on-the-job will fall into one of two scenarios: on-site and off-site consulting. And more than likely it will be a combination of the two.

Whether you are an individual business consultant or employed by a business consulting firm, it is unlikely that you will go to the same desk to work each day. Where you are working on any given day will depend on the phase of the client project, the need for client meetings and

your judgment about the balance between showing the client what you are doing versus focusing on concentrated work at your own desk.

Client meetings and the gathering of project information will likely be done on-site, with the client providing you with an office or appropriate place to work. In some cases, however, the client will not have enough space to provide you on-site accommodations, so much of your work will be conducted off-site at your own office, possibly a home office, or in your employer's office. Consultant Scott Braucht says: "We find that it's good to work part-time off-site, as consultants tend to get distracted by issues that don't pertain to the project when working on-site. Working off-site gives them a chance to collect their thoughts and get the necessary paper work done."

## **1.1.4 Benefits of the Profession**

### **Financial Rewards**

Even if you believe money isn't everything, it's hard to ignore the fact that business consulting, even entry-level, is among the highest paid professions. A recent survey by the Association of Management Consulting Firms found entry-level consultants earn an average of \$65,000 annually while senior partners earn an average of over \$300,000 (including bonuses and profit sharing).

Independent business consultants can earn \$35 to \$400 or more per hour. Many factors go into determining fees, including the consultant's experience, geographic location, specialization, and type of client (e.g. large corporations typically pay more than small businesses or non-profits organizations). In many cases, however, the annual income for an independent business consultant is limited only by the individual's initiative and drive, with many consultants earning six figures.

Alan Weiss, Ph.D., President of Summit Consulting Group, says the most rewarding aspect of his consulting career is "the independence and the ability to earn 7-figures working from my home."

### **Opportunity to Learn and Grow**

The rewards of business consulting go well beyond the financial. As a business consultant, clients rely on your capacity to solve problems. So

the rigors of being a consultant mean that you will stretch your intellectual muscle on a daily basis.

## Dynamic Profession

If you thrive on change and a dynamic work environment, look no further than business consulting. Business consulting by its very nature is based on change, or at least overseeing change. Also, contracts with clients are just that, contracts, and there's an end to each one. These can range from a couple of weeks to a year or more, depending on the project. As a business consultant, you'll get a chance to see a wide range of organizations at work.

*"I enjoy the interaction and stimulation that comes from solving a broad range of problems for a variety of clients."*

— Linda Popky  
L2M Associates, Inc.

Projects can take a consultant from city to city and even country to country depending on the firm and area of specialty. Indeed, travel is a big part of the allure for many who enter the profession. For those working with large firms or independently this could mean jet setting across North America and around the world.

## Prestige

Although you may not have known who that consultant was in your employer's business, you likely admired what he was doing. Why? The reason is simple: business consultants are highly respected individuals. They are relied upon in every industry in every country. They're admired for both their expertise and their independence.

## Personal Satisfaction

Another benefit business consulting offers is the opportunity to see the tangible products of their work more so than in other "white collar" professions. Just imagine: instead of the frustration of being unable to change problems that got in the way of your productivity, now it's your job to recommend changes. You are now working with the top-level people who will implement change and they are turning to you for direction on doing so.

*“I get a great deal of satisfaction in working with others to better their businesses, and seeing the fruits of my labor when I drive down the street and find that business still thriving 5 years after my recommendations and implementations.”*

— Ruth Ann Karty  
Taking Care of Business Consulting Services

## **Make a Difference**

The results of some of your work will improve life for workers and even customers. Sometimes this may impact large numbers of people. What better source of satisfaction than knowing you have made a positive difference in people’s lives?

*“You chose a career in consulting because you have a burning desire to make a positive difference in the organization that may hire you. You believe that your talents and skills are such that you can teach others how to do things better and in the process make their organization more successful.”*

— John Baldoni  
Baldoni Consulting, LLC

## **Meet People**

Business consultants work with many people in many diverse industries. As a result, you will have the opportunity to make friends and connections across the country and around the world. It is a common complaint among those in corporate positions that they don’t get the chance to showcase their talents. As a business consultant, you’ll do this every day, and you never know who’s paying attention.

## **Low Risk to Start Your Own Business**

You can start and operate a business consulting firm from home, without a bank loan. In fact, you probably already own the primary equipment needed such as a computer and phone. There can be some marketing costs when starting, but costs are minimal, as word-of-mouth and networking are powerful forces in this business.

You can start consulting on a part-time basis, while keeping a primary source of income. At the same time you can ease your way into the

business by getting the word out that you are interested in consulting work. Then as the demand for your services grows, you can commit to consulting full time.

## 1.2 Inside this Guide

The *FabJob Guide to Become a Business Consultant* offers knowledge and insight of industry insiders to help you get started and succeed as a business consultant. According to the U.S. Bureau of Labor Statistics, competition is expected to remain keen in this industry through the year 2016. So your investment in this guide will pay off when you are competing with less informed individuals.

Chapter 2 describes in more detail the role of a business consultant. Following an overview of consulting specializations, the chapter takes you step-by-step through a consulting engagement – from determining the client’s needs to the final evaluation. You will learn practical techniques for gathering information, how to identify possible solutions, and how to present your recommendations to clients.

Chapter 3 outlines the skills you will need in order to succeed as a business consultant, such as problem-solving and project management, and offers resources for developing those skills. Chapter 4 then offers ways to increase your business knowledge through educational programs and self-study. It also explains how to get practical experience.

If you want the stability of a full-time position, Chapter 5 focuses on consulting jobs. You will discover employers who hire consultants, how to find out about job openings, how to prepare an effective resume and cover letter, and what to expect in a case interview. You will even discover how to create a job.

If you want the freedom of starting your own business, you will find good advice in Chapter 6. You will find practical information on getting ready to open for business, including setting your fees and preparing client contracts. In Chapter 7, you will discover practical tips for getting clients for your business. It covers a variety of marketing tools and techniques, with advice on creating proposals.

The guide concludes with expert advice in Chapter 8 to help you succeed in your business. Also included is a list of professional associations. When you're finished with this guide you will know what step to take next and where to go from there. By applying what you learn here, it's just a matter of time before you'll be where you want to be – in a rewarding career as a business consultant.