

EPISODE 2

Consulting Under a Company Brand - The Consulting Curve

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Introduction: Welcome to another episode of the Consulting Curve. The community approach to clients and consulting brought to you each week by Biz Drivers.biz.founded by Peter Selby, a trusted profit and growth advisory to companies and consultants around the world. Tune in each week, and learn how you can take that journey from corporate to consulting.

Kevin: Welcome to another episode of Consultancy Curve with Peter Selby. Peter, thanks for joining us once again.

Peter: Hey.Happy to be here. Looking forward to today's discussion.

Kevin: Hey I'm looking forward to another episode I wanted to just just touch on the just give a brief background on consultancy curve the community approach to clients and consulting and each, every couple of weeks, we want to launch another episode and just have Peter kind of explain what it doesn't look like in vising in the new economy and kind of all the facets and, and issues around that and primarily in the consultancy space. And, Peter, the first episode we talked about was just kind of laying the foundation for advising in the new economy, we touched on you know, just how many companies out there are that actually need assistance and that there are more consultants than ever before out there. It's this kind of the great resignation has caused this, this, you know, this boon and LinkedIn for consultants and have the very low barrier of entry. And LinkedIn has really played a part in that. And but companies are requiring much deeper and better insights. And, you know, this is one thing that we really want to touch on how can consult as an advisor step into that space. And really just how can they meet constraint consumer and client expectations and have really good solutions. But this week, it's we got to kind of drill down a little bit and kind of really start talking about some of the drivers behind advising in the new economy. And for the next three episodes, we really want to focus on kind of the sales conversion drivers. But this week, we're really talking about just this whole idea of being kind of a lone wolf being a person is being attached to an advising company. So, Peter, as we laid that groundwork, take it away, buddy.

Peter: Hey, there's nothing left for me. Keep going. He goes. Yeah, look. Yeah, look, I agree. I mean, the whole purpose of really running this series, this is the learning curve around consulting, the consulting curve that people go up. And it's changed so dramatically. Well, it's been changing, I guess, as, as the, as the world becomes connected as industrial 4.0 takes shape, it's changed the consulting space generally. But of course, COVID is kind of accelerated that. And there really are a lot of elements to it. So when

we talk about sales, conversion drivers over the next, the next few episodes, we've picked up, because out of all the people we help, you know, we have a perception of business setup just to do this, because it's so difficult for people. Converting sales is one of the big bigger challenges that people face, it's probably the 80-20 rule in play, again, the people that we assist staff with a problem around being able to close out opportunities. So if we think about that, and today, we're talking about company brand, and what's really interesting is it's probably, you know, in the corporate space, it's well understood in the consulting space outside of the major consulting houses that sort of work in that in that blue chip fortune 500 space, the importance of having a company brand is underestimated. And the, the, the great resignation that you mentioned before in the low barrier of entry, due to LinkedIn and other tools, like it means there was a lot more independent consultants than ever before and interesting. Through COVID, when times got very tough, one of the things that the large consulting houses do is lay off hundreds of people. And guess what they did, they went straight onto LinkedIn and set up as an independent consultant. So a lot of competition in that space. However, there is a balance between being a very large consulting organisation that is clearly going to be a reasonable investment to get help with through to maybe a more cost effective approach of an independent consultant. There's a perceived risk that goes with that so that you know, the larger the consulting organisation the less perceived risk with the engagement of that. So low walls can be seen as very high risk in the market. And the problem with that is it really limits consultants, to the amount of companies. If they're going to do business with the it does tend to push people towards the smaller size companies or pushes people into where they have deep networks and they know people and they're a known entity. As soon as you step outside that it's seen as a bit high risk.

Keving: Let's let me ask you real quick when you when you talk about these, these consultants that maybe were in these major consultancy firms before, and they were laid off? Is it true that it the larger the company that maybe the more specialised they were as well, that they were a little bit less of a generalist, and they're going to have a much more difficult time, you know, speaking to maybe SMEs on a more general basis.

Peter: There is an auditor that definitely, I mean, one of the things that the larger consulting houses will have very nice resources, for sure. And if you happen to be one of them, you are going to struggle on your own, there's no doubt, but there's also generalists as well. But interestingly, that name, you know, if you've done work for, you know, Boston Consulting, or somebody, it's a well, it's a reputable company, it's well understood, because you have worked for them, but are now independent, that trust that comes with that doesn't carry across to you anymore. You're just instantly seen as somebody surrounded by very limited resource. So there's two, there's two problems there is that the scope of companies that will actually do business with you. And there is also a limit to the type of work you will get if you do get engaged in assignments tend to be a lot shorter or a lot smaller as a result, or candy. I mean, I'm talking generally here, of course, there's exceptions to all of this, and obviously very nice resources and exception to that, but generally speaking, you know, that's the pattern that it follows. That the point you make about a singular skill set is also one of the key issues that companies or potential customers see, in a lone wolf independent consultant, they generally speaking don't have a lot of process around them. So you know, a lot of IP a lot of customer solutions. So therefore, they're seen as companies are seen as having a wider skill set of delivery. When people do get pigeon-holed into well, he's very good

at this. And so when we want this, we'll go get someone else. And that's becoming a bigger problem for the independence because more and more companies are looking for end to end solutions, right? Right. They don't go to five different consultants to solve a problem. They want to go to one. So again, this is something that works against people in the market.

Kevin: Is it an advantage to have those resources in house versus, say, an independent having to contract out to either other work colleagues that might have specialisations in those fields? Is it better to have those, those as you would say, in in in the building with you,

Peter: I guess this is a, there's two, just two opposing views to that. So one is if you have those resources in house, you have to feed them, and therefore, that requires a certain amount of volume, right? If it's a lot more flexible, I think the commercial arrangements between the company and the people in the company aren't that important, that are normally quite invisible to the client, to be fair, what, but having control of those resources and be seen to be able to have the processes around that is critical. So where we see, and this is a common problem, you know, where we see people are working in a sole environment is they tend to have one offering with a fixed network of either people they know or companies that will be willing to use them. And if they do need to call in others, they're seen as having to call in others. And if there's a customer that knows that there's an issue that's this wide, and the particular person they know has a skill set this wide, and they know they're going to have to go find resource, they're more likely to go to a company that already has already as seen as having that resource.

Kevin: Right. Right. So we've talked about kind of a consultant today seen maybe a high risk being a lone wolf, we talked a little bit about, you know, maybe a limited skill set or limited resources, you know, that is, you know, that lone wolf was bringing to the table. What else is around this this space when we're talking about sales conversion drivers were specifically related to company brand?

Peter: Sure, if you think of the proprietary systems that come with a company so normally, an organised company has invested in some proprietary systems to help, you know, methodologies or whatever it may be tools, technology, whatever it may be, to help drive an outcome in a particular area from their experience of doing that. And with that, and that enables the company to differentiate, it's much, much harder for an individual to differentiate, especially in a crowd the size it is today. And I suspect there's another 100,000 people signed up on LinkedIn this morning and around the world. I mean, this, you know, the great resignation really is underestimated; it's incredible what's going on at the moment. And that independent space is getting very, very, very crowded. So what are you going to do as an individual, that's going to be very, very different, it's quite difficult if you haven't had the time to invest in the proprietary systems, the solutions, the technology, or find the partners that you develop over time to do that, so it is, it is a lot more difficult. You know, having said all this, I'm not saying it's impossible to operate as an independent, it, definitely, there's plenty of people doing it, but it is getting a lot harder than it was, and there's a lot more pressure to deliver deeper outcomes. And, you know, the very lucrative sort of work is often evasive, from a loan operator.

Kevin: You talked to maybe, maybe you and I were just talking off camera one day, we were

talking about the, when you look at an advisor, consultant, and and when they are looking at their personal network, you know, that it's you quickly, like exhaust that network. And so is there an advantage to having a company, you know, community around that that would kind of broaden that. And I think we're gonna maybe drill down a little more on that later in the podcast. But it's, it seems like it has some application here, when you're converting, you know, the sales conversion process too it's just, you know, I was going through the through your, you know, quote, digital Rolodex there. I just needed myself there.

Peter: But look, yes, I mean, the short answer is yes. And if you think about the warm network, and the whole thing around that, and yes, we will talk in more depth, because it's so critical. But, you know, people are always surprised by how quickly they deplete their networks, especially people that have been employed for a major part of their lives, and are just moving into the advisory space, you know, corporate careers and such like, which is where we really get involved with people quite a lot helping them. And the simple rule for that is, is it's a very famous book, Michael Perry Marshall wrote the 80-20 marketing. What he talked about there is the law of Pareto that said, everything around us applies to marketing, just like it does everything else. And if you think of your network, say, there are 100 people in your network, that'd be a small network, I know. But let's keep let's keep the math simple for me, at least, then 20, people are only ever likely to do business with you out of 100 people. So if you've got a network of 1000, people, you're down to 100. And of course, in that 100 people, they're not all going to want services right now. So you run out of network very quickly. So let's think of a company just on mass alone, okay? If everybody, if you have a personal network of 1000 people, but you're in a company of 10 people, you know, you've now got 10,000 people in a in a trusted network. So just just on numbers, it's a lot easier to drive sales conversion in a company or a collection of people than it is a singular. And we do see independents forming associations and things to try and get around that exact problem that their networks are too small. The other common problem with that is people then try and sell what is a solution that's very highly based on trust into a network where nobody knows them. Yeah, it's just about impossible. Without a sales team, you know, it's quite an ineffective way. So you've actually got to grow somehow find a way to grow that network. And we'll talk a lot more about that. It's absolutely critical. And the other side of that coin, there's more people in a company, there are more resources. So there are more resources also to deliver. And therefore the more lucrative and more attractive work assignments naturally go to companies and individuals because there are the resources to deliver them. I mean, a major assignment might take three or four people to deliver it over a number of months. So, you know, a lone wolf would never be in the frame for that work. They can just never get the chance to position for it and first place. So you know, those resources help from both a selling perspective as well as a delivery perspective. But of course, from the potential client's perspective, having those resources gives them a lot more comfort and reduces that risk level. Does t?

Kevin: Absolutely. And it's, I mean, as you were talking, I'm thinking, Okay, this is like a chicken in the egg thing. So it's like, you know, we, you increase conversion, you increase business, you increase retention, you increase, you know, just guess how pleased you are in the role and just job satisfaction. And it's like, a, it's a cyclical model, that that the more that works, the more everything grows, you know, in that entire ecosystem.

Peter: Yeah, and okay, that ecosystem is very important. Another thing that we see quite frequently is people are very cognizant of the fact that trading under their name really limits what they can do. So they'll start a company. But it's quite obvious at a short glance. So that company is a company of one. Yeah, so company name itself won't do it for you. Yeah, the neat substance behind that company and the client needs to be able to see that substance is very important. Now, you know, there's a whole range of independent companies, and they range from, you know, five consultants to a couple of 100. And then you start to get into the large consulting houses. But any of those companies, you know, the size isn't as critical as the fact that it seemed to have some substance, there are some systems and processes that can be demonstrated, there are people that can sit in front of a customer and talk their language about a particular issue. That's, you know, that's where you unlock a far more consistent amount of opportunities and a wider range of work in the process.

Kevin: I mean, what a way to kind of wrap us up today, as as we're kind of looked at just the benefit of, you know, consultants of advisors being part of a company to being able to brand themselves along with the, the larger brand of a consultancy firm. And I'm so tempted to kind of jump into the future episodes, because I'm kind of looking and seeing all these connections of the things we're going to talk about in upcoming episodes. And we just want to whet their appetite for the for the episode that's going to drop in a couple of weeks. But Peter is there anything that you just want to wrap us up with right now with that just kind of the whole space around the company brand and the adviser space? And we can just close out with this thought?

Peter: Yeah, sure. Look, at the end of the day, I'm not trying to sit here and put people off being independent consultants. There are a lot of independent consultants out there, and a lot of them are very successful. And they certainly get often the life balance they're looking for. I'm really just pointing out some of the challenges that we've come across through helping people and seeing what a difference a company brand can make. But it is not the only thing that will work out there. But it certainly lowers a lot of those hurdles. And I think the other thing to remember, is in this faster environment, this data driven environment, because there's more change, and things are more turbulent than they used to be. Customers have become more risk averse. So it's a higher priority than it used to be customers used to be prepared to take a little bit of risk. They they're far more reluctant to do that. But there is the balance between, you know, zero risk and a giant consulting company and a big bill versus a smaller company, a smaller bill, but a little bit more risk versus a lower cost of gain and higher risk of an individual. It's finding that balance. And certainly, that middle ground seems to be where people are moving to.

Kevin: Well, next episode, we're going to kind of drill down a little more and just really the kind of closing the deal, you know, the around sales closure and the code that is involved in that that entire mathematical formula that you're going to unpack for us. But here thanks again, man for just taking time today and just talking about the consultancy curve, that community approach to clients and consulting.

Peter: Great, really enjoy the topic and it's so good to be able to sit here and talk and give some substance for people to be able to follow when they're thinking about doing this stuff.

Kevin: For sure. Hey, see a couple weeks.

Peter: Okay, thanks very much. See you next time.