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How to Prevent “Unpaid Consulting”

By Jeff Thull

If you're in consulting, you've probably encountered this scenario. You're trying to convince a potential client that your services will solve a pressing problem. To prove the point, you explain precisely how your solution will work. The client listens carefully, asks many questions and takes copious notes. You leave convinced that the client will hire you for the project.

But when you call to close the sale, the client is nowhere to be found. Later, you hear that the project was awarded to your top—less creative and less expensive—competitor. Frustrated, you ask yourself, “Where did I go wrong? Why didn't I see it coming?” You may have fallen prey to an all-too-common trap: **unpaid consulting**.

When we cross the line between diagnosing problems and designing solutions, we become unpaid consultants. In past decades, this was a minor concern because competition was limited. If you designed a unique and valuable solution for a client, the sale was virtually guaranteed. But today, there's a proliferation of competitors. And unpaid consulting can leave you at a competitive disadvantage because the client can “shop” your solution to others in search of a better price.

Why the change? Simply put, no matter how sophisticated your products and services are, chances are numerous competitors have the same offerings. And because geographic location is no longer a critical factor—due in large part to the advent of the Internet—a client in New York can easily access a consultant in Los Angeles (or in China for that matter) just as easily as one across the street.

So, what's a consultant to do? First, realize that simple “band-aid” solutions don't exist. You need a systemic – business development approach that allows for long sales cycles and multiple decision-makers, and that helps you distinguish between “solution shoppers” and real buyers of your services.

One way to do that is to use our **Diagnostic Business Development**. It provides a navigable path from the first step of identifying potential clients through the sale itself and onto expanding and retaining profitable relationships. These are the four steps in this approach:

Step 1: Discover. Research, prepare and set the stage for a compelling engagement and a continuing relationship based on trust and respect.

Step 2: Diagnose. Conduct an in-depth examination of the existence, extent and financial impact of the client's current situation. Diagnosis maximizes clients' objective awareness of their dissatisfaction and determines whether or not that dissatisfaction warrants your help.

Step 3: Design. Together with the client, work to identify the optimal solution to the problems that were uncovered and quantified in the diagnosis phase—even if it involves alternative solutions offered by competitors. This step, which is the “dress rehearsal” before your final presentation, is where many consultants make the mistake of giving away so much valuable information that they become unpaid consultants.

Step 4: Deliver. This step begins with the presentation of a formal proposal and the client's subsequent acceptance of the solution. Implementation and support of the solution are next, followed by maintaining and growing the relationship with the client.

This process is 180^o from conventional selling. To avoid the pitfalls of using outdated methods—including unpaid consulting—consider the following suggestions:

Avoid Premature Presentations. It's not reasonable to present a solution before you clearly understand a client's problem—and more to the point, before the client fully comprehends the problem and recognizes that you do too. Many consultants devote the majority of their face-to-face time presenting to build credibility. The most successful consultants spend their time collaborating with clients, diagnosing their situations and designing or creating desired solutions.

Don't Lead The Witness. The traditional consultant draws conclusions for the client—often prematurely—and presents them before the client is prepared to hear them. It's important for the client to discover and take ownership of the problem before deciding to seek a solution. If you get ahead of the client, your actions may seem pushy or manipulative. This leads to a lack of trust, and creates a confrontational rather than a cooperative atmosphere.

No Pain, No Change, No Sale. Dissatisfaction is the most basic human motivator for change. Change itself is painful. As a result, change will not occur until an individual or company recognizes that it would be more painful **not to change**. That's why it's so critical to do a thorough diagnosis that uncovers the pain of the current situation.

Go For The “No.” One advantage of a thorough diagnosis is that it allows consultants to quickly identify the 20-30% of their prospects who have an immediate need, the will and the resources to make a change. Old school sales theory holds that the “good” salesperson never takes “no” for an answer, and that “no” equates to personal failure. Don't waste time arm-wrestling with a prospect that has no pain and hope you will win the sale by sheer tenacity. Instead, always ask yourself, “Is there someplace better I could be?”

“Billable Diagnosis.” If developing a clear diagnosis of the client's problem provides the client with a valuable base from which to consider solutions, it should be a billable consulting service. Consider doing a preliminary diagnosis, at no charge, that clarifies the existence and nature of the problem along with the potential risks of not addressing the problem. Then provide a billable in-depth diagnosis that defines the depth and degree of the problem to be addressed. The billable diagnosis would be more elaborate than the typical “free consulting” and provide you with exceptional credibility for going on to create and deliver the solution.

Clearly, selling services has changed dramatically. What hasn't changed is that clients need outside expertise to help them diagnose, understand and solve their problems. It's up to you to provide the help your clients need. See yourself as a project manager for your client's decision process and the project, not just a salesperson. That is the secret behind succeeding in a complex selling environment.

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For the past twenty-two years, Jeff Thull, CEO and President of Prime Resource Group, has gained a reputation for his expertise in sales and marketing strategies for companies involved in complex sales. His wealth of real world experience has made him a leading authority and valued advisor for executive teams of major companies worldwide. Find out more at www.primeresource.com.