

Part

III

Guerrilla Selling for Consultants

Chapter 15

All Projects Are Not Created Equal

Time is a consultant's most valuable resource. Use it effectively by selecting the right projects to pursue; choosing wisely is essential to building a profitable consulting practice. The highly competitive consulting market is filled with firms that are willing to write proposals at the drop of a hat, which gives guerrillas a distinct competitive advantage.

Resist the temptation to outpace the competition by being the first one to write a proposal. Your speed and initiative might score early points with some clients, but you could just as easily misjudge a project and commit to a proposal that will cost you.

Instead of racing headlong into the sales process, systematically qualify each opportunity to make sure it meets two requirements: The client will truly benefit from your skills; and the project will help you build a profitable business. Don't pursue projects without those characteristics—you'll just be spinning your wheels.

The sales cycle for landing consulting projects can take weeks, or even months. During that period, clients routinely ask consultants to submit proposal materials, supply references, make presentations, and attend meetings. These efforts can be costly and time consuming, and they can interfere with your work on profitable engagements with other clients. So before you compete for business, objectively evaluate each opportunity.

GUERRILLA INTELLIGENCE: CLIENTS YOU'LL MEET

Buyers of consulting services generally fall into one of the following categories. To avoid those who have no intention of hiring you, no matter how good you may be, learn to recognize the following client types:

- ▶ *Serious buyers:* They have (1) real projects, not merely ideas they're toying with, and (2) they need outside assistance. Serious buyers carefully evaluate the services you and your competitors offer. They get involved: They work with consultants to design approaches for completing projects; they help with proposals; and they work hard to select appropriate consultants for projects. Look for these clients.
- ▶ *Tire-kickers:* Visitors to auto dealerships frequently circle new cars, slam doors, check out sound systems, and even take test drives—with no intention of buying. Some clients behave similarly. They'll invite you to meetings just to have a look at what you have to offer without any intention of using your services. Some take advantage of the opportunity to gather free competitive intelligence.
- ▶ *Benchmarkers:* In the proposal process, these clients set up one competing firm as the "benchmark" consultant. That firm's fees and approach are used as a baseline for leverage in the negotiations with competitors, especially the preferred firm. These clients use your proposal to induce preferred providers to lower their fees or provide more services for the same fees.
- ▶ *Idea shoppers:* Some prospects will ask multiple consulting firms to present their best ideas on a particular problem, such as how to enter a new market. Once consultants provide the information, idea shoppers assign internal teams to complete projects without hiring any of the consultants; they take the consultants' ideas and run with them.
- ▶ *Deflectors:* Clients have been known to invite consultants to submit proposals just to get rid of them. Perhaps the personal chemistry didn't work or the consultant's qualifications weren't right. Some prospects just aren't willing to tell consultants why they won't hire them; so they ask for a proposal, which they ultimately reject.

Identifying motives is not always easy. But if you evaluate prospective clients with the above types in mind, you will be able to focus on your targets—serious buyers.

■ THE CLIENT QUALIFICATION SEQUENCE

Whether leads are from new or existing clients, guerrillas use the following three-step sequence to qualify potential projects and pinpoint serious buyers:

1. *Prequalification*: Make sure it's a good prospect before investing your resources.
2. *Discovery*: Get the full story on the client *and* the project.
3. *Decision*: Add all the facts together and decide whether to write a proposal.

Too many consultants don't evaluate client opportunities with a thorough approach and are unpleasantly surprised later by under-budgeted proposals and poorly defined project objectives and scope. Following the three-step sequence described in this chapter prevents surprises and reduces the risk of chasing losing propositions. The better you qualify leads, the lower your cost of sales will be. Plus, you can pull the ripcord—bail out—at any point without damage to your reputation because you haven't made a commitment.

■ STEP 1: PREQUALIFY EVERY LEAD

If you've financed the purchase of a home, you know that realtors usually require prospective buyers to be prequalified or even preapproved for a loan before showing them property. As one realtor says, "It's standard for realtors to ask clients to obtain loan preapproval at the start of the relationship. I want to know that they are serious and that they are looking in the right price range before I invest my time and theirs in the search."

Guerrilla consultants view the prequalification step as similarly critical. When a client asks you to bid on a project, pat yourself on the back—your marketing is working. Then take a deep breath and ask the following nine questions before proceeding. The answers will help you decide whether to pursue the lead.

► What You Need to Know before You Proceed

1. *Can the client clearly articulate the objectives and anticipated benefits of the project?* An ill-defined project signals that the client is not yet far enough into internal deliberations about the project, which can readily result in a longer sales cycle and a high likelihood that objectives and scope will shift in

the middle of the proposal development process. If the client cannot explain why the project needs to be completed now, it is a telltale sign of a poorly defined plan.

2. *Has the project been approved and funded?* If the project doesn't have approval and funding, or there's no specific timetable for funding, the project doesn't yet exist. Help the client understand that these decisions must be made before you can participate in the effort; you may want to suggest strategies for getting the necessary approvals.
3. *Who is the client sponsor?* And, whose problem is it? Find out who the leading advocate for the project is and whom it will affect. If the project crosses boundaries between departments, territorial disputes may need resolution for the project to succeed.
4. *Who is calling the shots?* The number one waste of consultants' time and money is negotiating with those who can't make final decisions. If you won't have access to the decision maker(s) throughout the proposal process and the project, you will never know whether you are responding to the client's needs. Even if the client is using a group or committee to select the consultant, it's essential to discuss the details of the project with the ultimate decision maker(s). If that access will not be available, you might want to pass on the opportunity.
5. *Is a consultant-selection process in place?* Even though most clients answer yes to this question, a rational decision-making

GUERRILLA INTELLIGENCE: FIND THE DECISION MAKER

Be sure you understand the client's buying process. The real buyer of services may have delegated the discovery work to nondecision makers who don't fully understand the project's objectives and risks. It might be a member of the procurement department or a committee. Procurement and selection committee members may lack the authority to make a decision, but they often have veto power over candidates.

Meet and discuss the project with the decision maker so you can prepare the most responsive proposal for the project. Tread lightly, though, and reach the decision maker through those involved in the selection process. If you alienate them by going over their heads, you could find yourself out of the competition.

process for selecting consultants rarely exists. So ask the client who will select the consultant what criteria will be used, and if a deadline has been set for making the decision. From the answers, you'll know instinctively whether a selection process exists. If it doesn't, suggest one or more workable approaches.

6. *Does the client have an incumbent consultant who is bidding on the project?* Incumbents often have preferred status with clients for new projects, and you must know what you are up against. That doesn't mean you should pass on the project, but it could change your tactics.
7. *Is your firm interested in the work?* Ask yourself if the proposed project would be challenging and valuable for your firm. Identify the benefits the firm would receive in addition to fees. They could include building new client relationships, enhancing the consultants' skills, entering a new service area, or working with experts in a particular specialty.
8. *What are the potential opportunity costs?* When consultants pursue leads, they often forgo other projects. Perhaps you won't be able to work on a proposal for another client, develop a new service, or take a vacation. Though opportunity costs can be difficult to quantify or predict without a crystal ball, assess the possibilities and carefully weigh them before you begin the sales process.
9. *Why did the client call you?* Often, this is the most revealing question you can ask. The answer can tell you what the client thinks of your firm and if you're being considered to round out a field of candidates or because of some obligation. If the

GUERRILLA INTELLIGENCE: THE CONSULTANT IS A BUYER TOO

For consultants, pursuing a new opportunity is both a selling and a buying process. Of course, you have to sell your plan, proposal, and fee estimate to the client, which is never simple. But it's equally important that you be able to "buy" the information the client provides about the project, the barriers to completion, and its definition of success.

If the client holds back vital facts or gives you incorrect information, your proposal could be way off the mark and the project could end up in the ditch down the road. If that happens, you stand to lose as much as—or more than—the client.

client doesn't show great interest in working with you, politely decline the offer.

► **Now Can We Meet?**

If clients are satisfied with initial discussions, they'll usually ask you to visit their sites for face-to-face meetings. But remember, clients make no investment in your sales and proposal work. By completing the prequalification step, you will know if you have a reasonable shot at a profitable project before you travel to the client's site with colleagues in tow and devote your resources to further investigation.

A consulting firm, responding to a highly competitive Request for Proposal (RFP), spent two months with a team of five consultants preparing a detailed proposal to help a client create a new strategy for its flagging retail business. Working closely with the client's consultant selection committee, the team prepared a 75-page proposal, including appendixes, outlining how the client and consultant would work together to forge a winning retail strategy. The client found the proposal and team so impressive that they accepted the proposal. The consultants immediately celebrated this great victory.

The next day, the consultant called the client to confirm the project start date and other details, such as team composition and the early tasks needing attention. The consultant was shocked to learn that the project hadn't been funded. The start date was not established and wouldn't be for several months, if ever.

Remember the second question every consultant should ask in prequalifying client projects: "Is the project funded?" Don't proceed without an answer to that question.

■ **STEP 2: DISCOVERY—THE REST OF THE STORY**

The next step in the qualification process is one of mutual discovery. This is when consultants learn the rest of the story about the client's organization and the project, and when clients size up consultants. Often, projects are won or lost in the discovery phase. So diligently prepare for client meetings and leave nothing to chance.

Efficiently collect the information you need to assess the opportunity and follow the nine rules listed next.

► **Guerrilla Rules for Discovery**

1. *Set precise objectives and identify next steps.* Prepare an agenda that specifies what both consultants and clients will get out of

discovery meetings. Some sales consultants suggest that you begin by citing an example of what you've done to help similar clients. That may be a waste of time if the client has researched you. Wait for clients to ask for details about you before volunteering such information.

Never leave a client meeting without agreeing what comes next. It could be scheduling your next meeting or setting up a series of interviews within the organization.

2. *Never wing it.* Before client meetings, review the client's annual report and other company literature. Then dig deeper to understand the executive relationships within the client's organization and the client's position in the industry. Call your contacts to get their perspectives on the company and its key people. Look at the company's competition to understand its external challenges, and research its customers, suppliers, investors, and employees.
3. *Skip the small talk.* On meeting a new client, it's natural to scan an office to get impressions about the client's interests and worldview. Go ahead and check everything out, but don't make lame comments about the deer head mounted on the wall and then launch into a tale about your experience hunting exotic animals in Africa. Make mental notes, but skip the small talk; it merely delays meetings and wastes time. Focus on using time to your fullest advantage.
4. *Bring the right people.* Make sure that the people you bring to discovery meetings can contribute. Bring only those who have

GUERRILLA INTELLIGENCE: DO YOUR HOMEWORK

It pays to do your homework. In a meeting about a project to help a national retailer improve its product return system, a consultant pointed out that the retailer was accepting return merchandise that it didn't even sell—goods that other vendors had sold. When the client challenged the assertion, the consultant left the room and returned rolling a worn-out truck tire. As the consultant hoisted the tire onto the conference room table, the retailer's return tag was clearly visible. Since the retailer didn't sell tires, the point was made. That demonstration sealed the deal, and the consultant was hired to improve the client's merchandise return system.

the professional expertise, poise, and ability to make intelligent observations. Don't include anyone who can't make a substantive contribution to your understanding of the proposed project.

5. *Forget the canned questions.* Sales textbooks frequently suggest that you ask silly questions to induce clients to talk about their most pressing issues. But clients have heard some questions so often that they simply give cliché answers. Don't ask questions like "What keeps you awake at night?" or "If you had a magic wand and could make the problem disappear, what would be in its place?"

Instead, ask questions that relate directly to the project, such as "What new issues might surface once you solve the immediate problem?" and "Where do you anticipate that it will be most difficult to overcome resistance to change?"

6. *Find out who's who.* It isn't always clear how people fit into the decision-making process within an organization. But it's usually possible to tell whether someone you're meeting with can make decisions. Through the discovery process, you must identify the buyer, even if a committee is handling the selection process.
7. *Recognize the client's priorities.* As you take part in discovery meetings with clients, accept that their first priority is to solve their problems. They don't care about your situation, your long history of service to the industry, your eye-popping brochure, or the bulletproof methodology you promised to customize for them. They want to know if and how you can help them, so focus on comprehending the full extent and ramifications of proposed projects.
8. *Ask thoughtful questions, then listen.* Incisive questions demonstrate your ability to quickly grasp and diagnose problems and offer viable solutions. Ask astute questions and listen fully to show clients how you assimilate data and think. Pour your energy and creativity into the discovery process so clients will get a preview of the vigor with which you will attack the project. If you find yourself talking more than 30 percent of the time, stop. You aren't listening or learning and, you're probably talking yourself out of a job.
9. *Create value.* As you learn more about the client's environment and issues, consider giving the client at least one preliminary idea that could help with the problem. Providing value during the qualification process will strengthen your

GUERRILLA TACTIC: GET MUTUAL AGREEMENT

Don't consider writing a proposal for a client until the opportunity is well qualified and there's mutual agreement between the consultant and the client decision maker(s) on objectives, scope, schedule, and expected outcomes for the project. In the end, this will ensure that the proposal is faster to complete and is aligned with the client's needs.

relationship with the client. Consulting expert Andrew Sobel calls this going "the extra mile" for the client.¹ It's a great practice to follow. Just be careful not to shut down the discovery process by leading the client to believe that you already have a solution in mind before you've considered all the facts.

➤ The Results of Discovery

Make sure you get the following findings from the discovery step in the qualification sequence:

- Clear and concise statement of the project objectives, including a quantified value for the expected benefits of the project
- Description of the desired end state the client wants to achieve when the project is finished and the consultant is gone
- Project budget and assurance that the project is approved
- Names of the project decision makers, especially those who are authorized to approve changes and expenditures
- Agreement in principle on all aspects of the consulting approach, scope, and schedule
- Assessment of potential risks of the project
- Conviction that the project truly addresses the client's problem
- Desire to work for this particular client
- Trust that the consultant selection process will be fair and honest
- A good picture of the competitive situation

► What Clients Want

Discovery is a mutual evaluation by clients and consultants, and clients have their own agendas for meetings during this period. Anticipate what clients want from discovery and help them get the facts they need to select a consultant and to make decisions about the project.

Clients are justifiably cautious about hiring consultants. After all, they may be investing big money, implementing a risky new system, or disrupting their operations. Plus, they have legitimate concerns about working with outsiders and perhaps jeopardizing their own careers.

Clients may not initially trust you; you must earn that trust one step at a time. The first discovery meeting is like a job interview: The client is considering hiring you, and you are assessing whether you want the job. That's a perfect time to get trust issues out in the open and address unspoken client concerns.

Does the Consultant Look the Part?

First impressions are powerful and long-lasting. Initially dress one level higher than the client, but don't show off. Find out about the client's culture and look professional. Your appearance in the first meeting often drives the remainder of the discovery and proposal process. If you don't know clients, it's helpful to briefly go by their offices in advance of meetings to get a sense of the people, how they behave and dress.

Is the Consultant Prepared?

During the first meeting, don't put on a dog-and-pony show. Instead, demonstrate that you understand the issues facing the client and that you have the background to address those issues. According to a study by the analysis firm, Ross McManus, the number one dissatisfaction clients have with consultants is that they don't fully understand clients' businesses.² If clients have to waste time bringing you up to speed on information you should already know, they'll wonder how much your lack of preparation will hamper your ability to complete the project.

Can These People Deliver?

Prepare, question, listen, and think creatively to show that you are credible and highly qualified to complete the proposed assignment. How you communicate, gather, and analyze information and suggest next steps will tell clients how you will perform on the project. It's not uncommon for consultants to have great meetings with clients

GUERRILLA INTELLIGENCE: QUESTIONS NOT TO ANSWER YET

During discovery, clients will want answers to seemingly harmless questions. But responding before the scope of the project is clear can obligate you in ways you may later regret. Be prepared for clients to ask you:

- How much will the project cost?
- What is your hourly rate?
- Will you send us a proposal?
- Will you discount your fees for a promise of future work?
- How long will the project take to complete?

You must answer all these questions eventually. But to avoid an unprofitable engagement or an unhappy client, wait until you have a complete picture of the client and the project before you answer. Most clients will push for answers to these questions right away. If you explain your position, they will usually recognize that it's in their best interests to wait until all the project issues have been thoroughly discussed before you answer.

but lose projects because they fail to demonstrate true understanding of those projects in their proposals.

How Well Do the Consultants Communicate?

Most clients give consultants the benefit of the doubt, at least for a while. They assume you are a credible professional who can help them—especially if someone they trust recommended you. That can change as soon as you open your mouth to speak.

Your credibility can go either up or down, depending on how you first address clients. No pressure here, but your initial statement can set the tone for a meeting or an entire project.

Discover beforehand the type of audience you will be addressing and the communication style of the client's organization. Communicate in a manner that is compatible with that style. When you know your audience, you can present yourself with confidence and competence.

Are the Issues Being Properly Explored?

Some consultants routinely suggest that all clients would benefit from their prepackaged services. It is premature to recommend complete

solutions during discovery, but some consultants just can't resist doing so. Clients are sensitive to what they may perceive as canned answers to their problems. They see their problems as unique and complex and may consider your quick cures to be simplistic and superficial.

Will We Get the Attention We Deserve?

Clients want consultants to be fully engaged and interested in them and their projects. They also want to be assured of their importance to your firm. If you dwell on the international companies you are serving, smaller clients may think they won't receive the attention you lavish on larger ones. Make clear that all your clients receive the same high level of service, regardless of size.

Who Will Actually Do the Work?

In some consulting firms, after consultants secure an engagement, they hand off the project to others who perform the work. If that is the case, disclose the fact to clients as soon as possible. No matter how much preparation you promise to provide to your project team, clients will believe that they will have to go over the same ground with the new people.

Allay this concern by bringing members of the project team in during discovery meetings. They don't need to attend every meeting, but they should have some presence during the process. Convince clients that you have a reliable method for quickly educating those who will be responsible for performing the work.

What Kind of Relationship Will We Have with the Consultants?

When clients are considering hiring consultants, it's reasonable for them to worry about how the consultants will interact with company personnel. Long-term projects can involve intense relationships that affect the company's success. Clients want amicable relationships based on competence and professionalism. They want consultants to treat everyone in the company with courtesy and respect.

Can We Manage a Consulting Team?

Clients often wonder how they will manage a consulting team in their midst. And they may find it difficult to both oversee the work of consultants and manage their own operations. Build status review measures into your projects and include some contingency for additional time or resources to reassure clients that your work will stay on target. Help clients plan for the inevitable disruptions consultants

and projects will cause to their businesses. Set up clear lines of communication to handle problems as soon as they arise.

Will Consultants Be Able to Keep Fees under Control?

Clients are always concerned about the extent of their financial exposure. Though it's not advisable to hamstring yourself with fee estimates during discovery, you can explain the mechanisms you will employ to keep costs and fees to the point of your eventual estimate.

Be explicit about how you plan to stay on budget, how you monitor fees, and how often you will update the client on the budget. Discuss how changes to the project can increase costs if they require additional time and resources.

Conveying that you have controls in place will relieve anxiety about potential cost overruns and help advance your case for winning the work. The most effective way to allay clients' fears on this score is to include in your proposal that you will not exceed the project budget without their advance approval.

What Are the Risks?

When clients hire consultants, there are always risks to the client's business, to the consultants, and to those who hire them. If, for whatever reason, a project fails to meet its objectives, the consultants will always be blamed. But the fallout can readily extend to the client sponsor(s) of the project. People who questioned the need for the project or the consultants in the first place can be counted on to point fingers.

Understandably, clients want to know their business and personal risks before hiring you. They also want to know how you will react to the stress of failure. They may be thinking, "If the project goes sour, how will it affect my career? Whose interests will be protected?" Address this underlying current with a thorough assessment of the risks. Reach agreement with the client on how you will share those risks. In some situations, you may be comfortable asking directly how a project could impact a client's career.

Who Else Can Do the Work?

Regardless of how good you are, despite the outstanding quality of your work and dedication, expect clients to ask, "Who else could do this work?" Don't be offended—companies are always looking for a better way to achieve results. Clients may want to explore doing the work with in-house staff, or may want to look for new or cheaper approaches to the project. Don't try to talk clients out of researching other options. If asked, offer your objective perspectives on the

alternatives. It's in your best interests for clients to satisfy themselves that they have weighed all their choices.

► **Give Clients What They Want**

You can't anticipate every question clients have, but addressing the ones that have been discussed here will go a long way toward giving clients what they want. The objective of discovery is to minimize uncertainty for both the client and the consultant.

■ **STEP 3: DECISION TIME**

How do you know if you have a qualified lead? Process the information that you acquire from the prequalification and discovery steps to determine whether the project is worth pursuing. Although every project, client, and consulting firm is different, if you can answer yes to most of the following questions, you should pursue the opportunity and submit a proposal.

► **Client Qualification Checklist**

- Are you qualified to perform the work?
- Has the budget been approved?
- Is this likely to be a profitable project?
- Are you comfortable with your relationship with the client?
- Do you have a complete understanding of the problem?
- Is the client ready to begin work? Or, do you have a date when the work will begin?
- Are your odds of getting the project greater than 40 percent?
- Are you in basic agreement with the client on timing, fees, scope, and objectives?
- Are the odds of a long-term relationship good?
- Are all nonconsulting resources readily available for the project?
- Is the proposed schedule realistic?
- Do you have access to the decision makers?
- Has the business case for the project been clearly articulated and approved?

- Has the client successfully worked with consultants in the past?
- Are key client executives supportive of the project and your firm?

► **The Fruits of Due Diligence**

Clients always seem to be in a hurry. When they call, they want action quickly and many consultants drop everything to oblige. Take your time and use the qualification process to your advantage. It can clear the fog that may shroud a project in uncertainty and improve your chances of winning more work with less marketing cost.

Thorough detective work during discovery will clarify the real costs of delivering the proposed service, in both time and effort. As a result, you will spend less time creating proposals. And the quality and accuracy of your proposals will be higher, improving the odds that you will be selected for the project. Plus, there will be few surprises once the project gets underway because your approach will be aligned with the client's objectives.

The discovery process gives you the chance to meet key members of the client's organization, which will build your network and could open up other opportunities. You also get license to walk the company's halls where you may spot additional problems that need attention. As you keep your eyes and ears open for potential opportunities, take the time to renew old acquaintances and start new relationships.