1 What Does (Should) a Consultant Do?

Better to be proficient in one art than a smatterer in a hundred.

—Japanese Proverb

There is nothing especially unusual about the services provided by the typical consultant, nothing, at least, that distinguishes them from other contracted-for specialist services, such as those that might be rendered by an interior decorator, image counselor, financial advisor, or freelance package designer. The differences between these individuals and the consultants who provide similar services is the name by which the individual identifies him- or herself and what he or she does. In this chapter, we'll ignore the facade of titles and look at some of the most active fields for consulting and at several aspects of the consulting industry, especially as it pertains to independent consultants.

As a first step, we'll look at those consultants who are most often employed on the client's premises on a full-time basis, often long-term (many months, and even years, in more than a few cases), as a quasi-employee. That is a phenomenon of the modern technological age and especially in evidence, at least until now, in areas of high technology and large federal contracts. Among the most numerous of the warm bodies working as contractor personnel on clients' premises are the many varieties of computer-related specialists. Within those ranks are software application creators working on customized or proprietary applications, Internet gurus hammering out the client's needs for security and encryption technologies, and those that are focused on Customer Relationship Management (CRM) or Efficient Consumer response (ECR) which involves looking at all the points of contact between a client's customer and themselves and working to reduce "choke-spots," or areas of error in serving those customers.

COMPUTERS AND DATA PROCESSING

Given how ubiquitous computers are in today's culture where most people have personal computers and many are hobbyists owning multiple machines, it is hard to believe that there was a time not too long ago when computers were strictly the domain of large research institutions or extremely well-funded corporations.

Those early machines spawned a great many consulting jobs, especially jobs for consultants who specialized in writing custom programs. There were then relatively few ready-made programs, and even the available ones were rarely suitable for general applications. So hundreds of thousands of individuals became computer programmers, many of them independent consultants, others evolving into large consulting companies. But not all these computer specialists were programmers, literally; many were known by other titles, such as *systems analysts, systems designers, system engineers,* and *computer operators.* And there were often gradations within categories, to indicate levels of experience and capability, such as *senior systems analyst* and *junior systems analyst,* or they might be graded numerically. They might even be given other titles—*information analyst* or *data designer.* As the computer and, especially, the software industries grew, further modifiers and qualifiers were added to the descriptions of the individual's qualifications and capabilities, so that a programmer would also have to list the various computers and computer languages he or she was familiar with and, finally, the kinds of programs in which he or she was most experienced. There was a steady proliferation of areas of specialization and expertise, as the technologies of the hardware and software evolved.

In the hardware arena, for example, one of the most troublesome areas was data storage, and the improvements evolved through several stages beyond that of the familiar punched card, through banks of electronic (flip-flop) circuits, tape on large reels, magnetic drums, magnetic cores, and even a few other things before the more efficient hard- and floppy-disk systems evolved. Now disks are in common use. And at each stage manufacturers were eagerly seeking engineers experienced in whatever was the current latest method for storage of data. Not finding enough qualified applicants to accept jobs, many manufacturers turned to hiring consultants to work on-site as long-term contract labor—temporary employees, in effect.

The picture was the same in the software industry. Companies who could not hire enough qualified employees or could not wait for the relatively slow process of recruitment—seeking, finding, and selling—necessary to produce required staffs, often resorted to contracting for the services of technical/professional temporaries—consultants—to fill the gaps as contractors. (At the time, The National Association of Temporary Services reported six to eight weeks as the average time to fill a position with a new hire, a few days, often as little as one day, to fill the job with a temporary worker.)

A great deal of the cost was passed on directly to the federal government via cost-plus contracts, especially in military contracts, but also in others, such as the NASA space program. Hundreds of thousands of such consultants worked for the General Electric Company, RCA, General Dynamics, Boeing, North American Rockwell, McDonnell Douglas, Northrup, Hughes Aircraft, TRW, General Motors, Ford, and many other supercorporations as well as smaller, less well-known companies developing weapons and space systems under major government contracts. But it was not only contractors and private industry who made use of consultants working as contract labor or temporaries; many government agencies also found this an expedient way to get their own, in-house projects completed. The NASA bases, for example, employed many such consultants, as did many military bases where a great deal of R&D work

was being conducted. Civilian agencies also used this method for hiring hard-to-find specialists. The U.S. Postal Service, for one, used many contract engineers, technicians, drafters, and designers, and many of the major computer installations in federal agencies were and are today operated by such contract personnel working on the government's premises. Many other kinds of government installations—the U.S. Army ordnance explosives plants, for example—are operated by contractors. In fact, there is a supply group classification for this in the federal procurement system. Relevant requirements are listed under category "M: Operation and Maintenance of Government-Owned Facility."

This is history, and much of it took place under the pressure of military needs and the drive to beat the Soviets in the race for both commercial and military use of space. The pace of it has abated now, with the end of the Soviet Union and the Cold War, but although less frantic, such hiring of consultants still goes on, and still on a large scale. For many consultants this type of work has become a way of life, a regular career. It can be a gypsy kind of life; to work regularly on contracts in these dynamic industries, one must be willing to go wherever the next job is. But that suits some individuals; there are those who like to keep moving and keep seeing new places. In fact, some of the most resourceful of these modern itinerant workers manage to find jobs in the climates of their choice, such as the Sun Belt in the winter and New England in the summer. It suits those, also, who want a much greater income than they are likely to make on a fixed job with an organization. Consultants generally can earn up to twice as much as regular employees would in the same jobs (and even more, in situations where specialists are in especially short supply or the assignment involves hazards and hardships), although with considerably fewer fringe benefits. (They also earn per-diem living allowances when more than 50 miles from their official home bases.)

This set of conditions, with its advantages and disadvantages, is not confined to the computer and data-processing industries; it is far more widespread and general than that. Today enough individuals earn their livings via such means that they have become a major part of the income-tax base. The most recent figures from the National Association of Personnel Services (the previously known National Association of Temporary Services, 2003 Annual Survey, posted on www.napsweb.org/aboutus/FAQAnswer.cfm?fid=1) provide an eye-opening view into just how pervasive this form of consulting is:

- There are in excess of 30,000 staffing, personnel services, and employment companies in the United States.
- Their revenues are nearly $65 Billion for 2002.
- The past seven years have seen average increases of 10 percent in temporary help services.
- It is estimated that 90 percent of the companies in the United States use temporary help services to fulfill their seasonal or heavier periods.

That has led the IRS to adopt regulations to define the legal and tax status of independent consultants and contractors, making it difficult for such independent

workers to write off relevant expenses. It is no small problem to many independent consultants today. Later, we will discuss this problem at greater length.

The Job Shop or Supplier of Temporaries

Typically, the job shop must submit a bid for each contract to provide on-site consultants. In most cases, job shop employees are really potential employees, slated to be employed only as long as the job shop has a client to send them to and bill for their services. Therefore, employment by a job shop is a technicality and coincides exactly with assignment to a client, and not one hour longer.

Normally, the client does not simply order a number of anonymous warm bodies, but selects the bodies to be ordered; the client wants to see resumes of available consultants, and often wishes to interview before asking for quotation of rates, to satisfy himself or herself that the consultants are suitably qualified. Clients may not scrutinize these resumes quite as closely as they would those of prospective new hires, but they do study them with some care, and they do normally interview candidates.

Typically, the job shop quotes consultants by classes, asking the same rate for each person in a given class, although not necessarily paying each person in a given class the same rate! (Beginners in this kind of work almost always sign up too cheaply, but they soon learn what to demand.) The fringe benefits are scant, consisting of a few paid days off and perhaps a group hospitalization plan. And the employee often qualifies for paid days off only when he is employed for six months or a year, which is far from certain to happen in that work. (Most job shoppers change employers frequently, as opportunities are presented.)

This arrangement permits the job shops to operate at low overhead, an absolute necessity for survival in that field. Typical overhead rates are about 35 percent to 40 percent, which must cover insurance, taxes, miscellaneous costs, and profit; however, when the job shop is fortunate enough to hire well-qualified beginners, they may earn considerably more than 35 to 40 percent gross profit on those individuals.

Some hardy individuals far prefer the frequent changes of jobs and locales, the financial benefits of job shopping, and the many vacations they are able to take (between assignments), so they make a career of such work, earning at least half again as much as they would on salary, and in many cases considerably more than that. There are also some individuals who choose that mode of working because they are unable to win jobs on the regular payroll of a company, because either they are too old or can't pass a medical examination. Large companies often have rather rigid policies that bar older people, not necessarily because of their age alone, but because they cannot pass the insurance examinations. Job shopping is thus often a boon for people who are well beyond the typical retirement age, but are still active, alert, and capable of a full day's work everyday. (Many are, in fact, retired from lifelong careers, but unwilling to spend the rest of their lives sitting on the porch and rocking slowly.)

Although there are many hardy perennials in the field, there are a great many individuals who turn to that mode of working for a short while, attracted by the money or temporarily unable to find a job. Many soon tire of the uncertainty and the constant

moving about necessary to work steadily in that field. Seasoned by the experience of a few assignments, they move on to work they find more satisfactory as employees or as independent consultants. In fact, it is not at all uncommon for job shoppers to make such a good impression on clients that the clients offer them permanent employment. All of this results in a steady turnover in the field, making it relatively easy to break into it as a port in a storm, a training ground, or a starting point in a career.

THE AEROSPACE INDUSTRIES

The use of consultant specialists as temporary employees predates the computer industry. As a direct result of World War II and its consequences, specifically the emergence of the Soviet Union as a major military power and potential threat to the western world, the U.S. government decided not to dismantle our huge military organization and lapse into typical peacetime somnolence, but rather to accept our new role as one of the only two remaining superpowers. We accepted what our government saw as our obligation to be the strongman of planet Earth and to develop powerful new weapons and systems. So, as cold war became the status quo, reorganized U.S. military organizations were given huge budgets and authority to begin developing supersystems of all kinds. Most of these weapons and systems involved the new high technologies of electronics applications—radar, sonar, missiles, computers, secure communications, jet aircraft, helicopters, and sundry other Buck Rogers-like technologies.

A new phenomenon appeared, reflecting a change in the thinking of the military developers; *equipments* (this new Pentagonese came into popular and accepted vogue quite quickly, as did another bit of Pentagonese contracting jargon, *deliverables*) were soon perceived not as singular, independent items, but as components of greater entities—of systems. They all became, in fact, military weapons, killing machines. A fighter aircraft was no longer an airplane, but a weapons-system, an entity involving radar, fire-control mechanisms (which means aiming and tracking systems), and other sophisticated defensive and offensive gear integrated as a system. This philosophy of collecting complete complements of equipment into single systems identified as weapons extended gradually to even larger, often city-size, entities, such as the Navy's destroyers and cruisers and the Air Force's largest bombers and reconnaissance airplanes. Airplanes became defensive and offensive systems. Self-contained in capabilities for detecting and neutralizing hostile attacks, they could also carry out their own attacks using a variety of individual weapons—machine guns, light cannon, and missiles—especially the latter, as the years wore on—while also using such other weapons as napalm, rockets, and bombs against ground targets. (Even helicopters became gunships, equipped as systems for specialized kinds of missions in the war we carried on in Southeast Asia.)

The concept of integrated systems spread rapidly and was reflected in what was now identified as systems engineering, which again called for the services of specialists who were in short supply. A great many systems engineers, individuals with broad enough interests and capabilities (both technical and managerial) to lead multidisciplinary teams, thus became consultants. And there were many stories of employees

who resigned their jobs, but never left their desks. Instead, they merely changed status, now on the payroll of a job shop as consultants or professional temporaries, assigned to continue doing what they had done as employees of the client company, but now at a higher rate of pay. They had given themselves promotions and raises, in effect, by changing their status. Some even became independent consultants and contracted directly with former employers to stay on in a new capacity, doing the same work. (In fact, a great many independent consultants found their former employer to be their first and most enthusiastic client.)

A contributing factor was that a new era had dawned in the world of technology. The concept of interdisciplinary specialties had arrived, and new problems of hiring and staffing had to be solved; for example, what mix of specialists is needed, and what kind of specialist should lead a team requiring a mix of different kinds of specialists? Suppose you need to put together a team to develop a new missile system. You need to develop the rocket engine, airframe, launch system, guidance system, warheads, and perhaps telemetry. Because this is a highly complex system of many complex components, you must also design and manage complex tests to troubleshoot, debug, validate, and ultimately certify the resulting final system as an integrated entity. You must prepare operating and maintenance procedures, and full documentation for operation and maintenance. That spells out a need for mechanical engineers, stress analysts, chemical engineers, electronic engineers, test engineers, maintenance engineers, technical writers, illustrators, and more than a few other specialists to put the whole system together. Where and how will you get all these expert specialists, and who should lead that team? (To this day, that latter question has not been fully answered, and perhaps there is no satisfactory answer to it. Perhaps our knowledge and our ambitions have reached beyond the technical and managerial capabilities of even the most talented individual.)

The economics of doing business this way are relatively simple. The government might allow the contractor $30 an hour for some given type of specialist. The firm supplying the specialists might charge the government contractor $27 an hour for the specialist, and pay the specialist $19 or $20 an hour. This provides the specialist about 50 percent more than he or she might earn as the typical direct employee of the client company, while providing the supplier of the specialists some 10 percent net profit. (The actual numbers will almost surely vary quite widely from this hypothetical case, but the principles will be the same.)

That typical 50 percent differential between what the specialists could earn as the consultant/technical temporary and the direct employee explains why so few such specialists resisted the many offers they received to go direct with the client companies. It was easy to decline.

In fact, those specialists who choose to make a career of being job shoppers (the firms who hire them and assign them to client companies are known colloquially as job shops, although many refer to themselves as consulting firms and to their employees as consultants) are virtually a subculture of their own, jeering openly among themselves at the thought of going direct, referring to it almost as an act of heresy. By far the majority work for one of the many job shops, but many are independent even

to the extent that they place themselves in their work assignments—contracting directly with the client companies, that is—thereby controlling their own situations entirely. (This generally comes about after the consultant has become thoroughly experienced in this way of doing business and knows many of the client companies and is well known to them as a competent and reliable individual.)

In many cases, the situation is quite complex, and the client for such services may be a sub-subcontractor, especially when the project and original contract are large ones. Even the largest corporations cannot and do not try to do everything. To perform on most of the huge government projects, even the largest of the supercorporations must award hundreds of subcontracts, many of those quite substantial and awarded to other great corporations. The basic contract for the Atlas missile system, for example, went to General Dynamics, who awarded a large contract for a supporting subsystem to RCA; IBM was a subcontractor to International Telephone & Telegraph (ITT) on a large Air Force logistics network (the 465L system); and GE developed heavy radar sets for the Ballistic Missile Early Warning System under contract to RCA, the prime contractor for the system.

In these circumstances, where the contracts are in the hundreds of millions and may even run to well over a billion dollars, there are usually several hundred subcontracts, many of them rather large, imposing a temporary labor burden on many of the subcontractors, as well as on the prime contractor. In many cases the contractor does not want to hire people as regular, permanent employees, knowing that the contract represents a temporary need for more people who would become surplus when the contract is finished. Although consultants are often hired as temporary employees because it is the only way to staff a project rapidly enough with qualified specialists, in many other cases consultants are hired as temporaries because it makes better economic and business sense to do so. It costs money to hire people, especially in the large organization; advertising, interviewing, paperwork, relocation, and numerous other costs are incurred in recruiting employees. Terminating no-long-needed personnel also costs money. And there are many legal obligations today in hiring people, as well as problems in terminating them. The technical temporaries represent a way around many of these problems. They can be hired quickly, with little paperwork and little legal obligation, since they work for a contractor, not for the client, and they can be terminated as easily when the need ends. Moreover, if and when a temporary proves to be unsatisfactory as an individual, there are no complications in having that individual's services ended, whereas it is not always a simple matter today to discharge a permanent employee for cause. (These are among the effective sales arguments employed in selling consultant services.)

The sizes of programs for temporaries—numbers employed and duration of assignments—vary widely. NASA has used rather large forces of such personnel, notably in engineering and computer-related work, and General Electric Company has almost traditionally employed large numbers of temporaries in the various engineering functions of their missile and space programs. In fact, where the project requires large number of temporaries, it is not unusual to have temporaries from a half-dozen or more firms working together on the premises.

As to duration, that also varies from a few days to several years. That is, a consultant may be employed on an indefinite basis, and be kept on for one project after another. At the Philadelphia-area plants of the GE missile and space systems many consultant temporaries were assigned there for as long as five years. Very much the same situation prevailed at the large training center Xerox Corporation established in Leesburg, Virginia, near Washington, where they hired several dozen training technologists, many of whom remained on assignment there for approximately five years. Those were all hired—placed under contract—as self-employed individuals or contractors working on the client's premises.

It is usually not by design that these assignments last so long. Frequently, the assignment starts as a relatively short-term one of several months, but new contracts come in, and the consultants are asked to remain. This can continue indefinitely, the client always acting on the reasonable assumption that the need is temporary. (The word *temporary* thus becomes rather flexible in definition.)

The practice of bringing in whole staffs of specialists, whether they are called consultants, contract labor, professional temporaries, on-site contractors, or contract labor—all of these terms are used—has become rather widespread in all sectors of the economy—in major government contracts, in commercial or non-government industry, and in government itself. Many federal institutions and facilities are staffed and operated by such personnel, especially by agencies doing technical work—NASA, EPA, and DOD, for example—but not exclusively so. The Air Force has contracted with private industry to manage and operate a warehouse in which it stores the many technical documents required to support its vast array of complex equipment systems. The Postal Service Training and Development Institute awarded a contract to have a private firm administer its correspondence courses in Norman, Oklahoma. The General Services Administration hired a private firm to run a chain of stores selling personal computers to government buyers. The NASA Scientific and Technical Information Facility in Maryland is staffed and run by a contractor. There are many more such situations, where it is more expedient or more efficient to contract out the management and operation of a government operation, even on government premises.

Most clients for consulting in this mode—hiring consulting specialists as temporary employees—have the common problem of needing a temporary force of specialists of one sort or another, usually to staff a special project that represents a nonrepetitive peak load. But this is not always the case. Some clients have more classical problems, problems that are solved not by the mere recruitment of a staff of specialists on a temporary basis, but by technical problems that the consultants are expected to solve for them.

One such case was that of Remington-Rand, once a computer division of Sperry Corporation (now Unisys). This organization had built a custom-designed, state-of-the-art computer for a California customer, and was approached by the U.S. Navy with an invitation to build another for them, albeit with a few changes, such as a much greater memory. The trouble began when the Navy rejected the user manuals the company offered. The Navy refused to pay until an acceptable set of manuals was produced for them, but the publications staff at Remington-Rand had been producing

commercial manuals, and was not familiar with typical military requirements for technical manuals. The company thereupon felt forced to contract for consultant specialists to assist their publication staff in making the manuals acceptable to the customer, a project that consumed several months.

Today we have a great many computer consultants, and the number is growing steadily as a result of two influences. One, the number of computers is growing exponentially, since the advent of the low-cost, personal computer, which has made it possible for almost everyone in even the smallest business or professional practice to own at least one computer; two, the computer industry continues to become more and more sophisticated, and that means it has become and continues to become more and more complex in both the hardware and software aspects.

Still, there is more. There is a universe of possible configurations of these machines into systems, with various size of memories, drives, keyboards, monitors, software, accessories, add-on boards, operating system versions, and sundry other items, so that even an expert is soon confused.

Where the computer consultant of the prepersonal-computer days was probably called upon most often to help a client with the programming—software—problems, many of today's computer consultants find that clients want help in selecting the right system for their needs or are already in trouble. That is, they may be buying a first system, be ready to get a larger or more sophisticated system (e.g., multitasking, multiuser, or local area network), or have already bought a system that doesn't do what they need it to do. As the needs of the businesses serviced change, so too do the requests/requirements placed on the consultant serving that client. The need for expertise in; connectivity, cross-platform communication, portability, remote processing, and so on have supplanted the old requests of "tell me which system to buy." The client is savvy and has had experiences (positive and negative) with computers and is a more educated client about wants and requirements.

This is not to neglect the more classical consulting situation, in which the client not only has a problem to solve, but the problem is so highly specialized that part of it lies in finding the right consultant for the job. In one case, my own clients found themselves in need of a specialist in Tempest and EMP-hardening technology, areas concerned with data security and system survival under nuclear attack. There are many engineering people who know a great deal about these technologies, but in this case the work involved precise compliance with a highly detailed and sophisticated military technical specification. Esoteric although this subject is, there is enough demand to keep an expert busy advising electronic companies, even the largest ones, about it. They managed to find one such expert who turned in an excellent performance, but there are probably not a half-dozen others quite as knowledgeable as he about this specialized lore.

In the same vein, some years ago NASA commissioned a venerable Japanese scientist to write a definitive work on celestial mechanics because he was considered to be by far the most highly qualified person in the world for this assignment, and he was so well along in years that NASA feared the loss of his great knowledge if he did not soon record it.

Many consulting specialties are not in common supply, but also are not so rare that it is extraordinarily difficult to find qualified practitioners. My own specialty is one of these. I write, lecture, and consult on marketing generally, but especially on government marketing, and clients call on me often to help them write proposals, the key to government contracts. There are not a great many consultant, who can boast honestly of an impressive track record in writing winning proposals—good proposal writers must be sought out—but the skill is not so highly specialized that the talented proposal writer is a rare and much sought after expert.

During the Great Depression, there grew up a consulting class known popularly as *efficiency experts.* These were individuals who claimed an ability to raise operating efficiency in companies and so reduce costs, an unusually attractive prospect. Business people, even those operating large companies, found it difficult to resist the lure of relieving some of the economic pressure that threatened to force them. More than a few companies succumbed to their blandishments and brought teams of efficiency experts aboard to work their magic.

How good were they? It's hard to say for they ran into a buzz saw of opposition from employees and labor unions. Many of the latter were then struggling to establish and justify their very existence, and understandably, they saw efficiency experts as the enemy who was determined to eliminate jobs, and therefore did everything they could to discredit the whole idea. Efficiency experts vanished into history, at least in part as a result of having lost the battle of publicity and common acceptance. Well, perhaps vanished is not quite accurate. The term *efficiency expert* that vanished to be replaced by today's term for the discipline, *industrial engineer,* also called *methods engineer*—specialists in designing workplaces and work systems for greatest efficiency.

Industrial engineering and methods engineering are respectable professions today. Large industrial firms often have such experts on staff, sometimes serving the firm as internal consultants, but there are still many opportunities for independent industrial engineers to win consulting assignments with firms who have only occasional need for such capabilities.

THE CONSULTANT ORGANIZATION

There are at least two distinct types of consulting organizations, although there are the inevitable hybrids (it is never a black and white world!) that blur the distinctions. The first type is that which we have been discussing here: the supplier of technical/professional temporaries. The second type is the consulting organization that undertakes a project, generally under a contract, with a defined end-product or service to be delivered, and with work done most often on the consulting organization's own site, but if necessary on the client's site or on both sites.

THE CONSULTANT COMPANY

Many people do not consider the job shops to be true consulting organizations nor job shoppers to be true consultants. On the other hand, there is the well-known difficulty

in defining consulting in today's business and industrial complex. For example, among the many procurement categories the government employs to classify and organize its purchasing, there is **H: Consultant and Expert Services.** You might expect that anything listed here would be consulting without question. Among the services requested here, however, are real estate appraisals, computer software programming, technical writing, surveys, and other pedestrian chores that we do not normally conceive of as consulting chores.

There are also a great many firms offering management consulting, among other services, because that term appears to encompass virtually any service a business or any other kind of organization might need.

It is not at all unusual for businesses that offer information systems to have consulting divisions, or to go out and purchase a major consulting firm to add to their portfolio of offerings to clients (not to mention create revenue streams for themselves that they otherwise would not have access to, and identify additional opportunities for them to pursue within their clients). Familiar names like IBM, EDS, Cambridge Technology Partners (bought by Novell), Ernst & Young bought by Cap Gemini, KPMG, LLC ultimately leading to the creation of BearingPoint, and others are all examples of firms that recognized the opportunities within consulting work and leveraging it for their businesses. Many accounting firms have attempted this and have been unsuccessful because of the perceived lack of objectivity that occurs when advice-giving activities were seen as being self-serving by clients, or one of the divisions was tainted by the scandals that rocked the other divisions.

Engineering firms have also migrated into management consulting, as have firms in training development, public relations, and a great many other successful firms in specialized businesses, service and otherwise. But it is not only already-established companies who make such transitions. Individuals launch their independent consulting practices from a base of experience in some given industry, for the potential for practicing as a counselor or consultant in any of today's many specialized fields is almost unlimited. In fact, although none of these firms or individual practitioners list themselves under a main heading of *consulting* as their basic category, they do make it clear that they offer consulting services, whether the listing is consultants or counselor, services, or others. Witness the lengthy, and yet only partial, list offered later in this chapter.

HYBRIDS

We have looked at two basic types, which may be considered to be at the extremes of consulting, one being rather classic consulting, recognized as such by even the purists, while the other barely qualified as consulting to some. But the world is not black and white, and a great many consultants and consulting firms fall between these extremes of definition. In fact, it is probably a fairly rare firm that does not fall between these extremes and have at least some of the characteristics of each case.

There is a distinct difference between supplying technical/professional temporaries and carrying out projects on-site (on the client's premises, that is). In providing

technical/professional temporaries, the consultant firm is selling hours of professional effort, normally at a per-hour rate. The firm is obligated only to supply qualified personnel, as agreed to and contracted for, and does not incur responsibility for the project, whatever it is. It is up to the client to make best use of this labor—to manage the effort and the people. It is the client who is responsible for the result, and who must pay the hourly rate for every hour expended by the temporaries, regardless of result, just as with internal, direct employees. (Of course, the client may terminate summarily the services of the supplying firm or of any individual supplied.) In carrying out a project on-site (whether entirely or only partially on-site), the contractor must assume responsibility for the project overall—for the end result, which means also for the management of the staff, regardless of where they are physically employed. It is a critical difference. It should be noted here in passing that under federal laws, you must always manage your own employees when they are working on-site at some federal facility because the law prohibits civil-service employees from giving direct orders to or being given direct orders by contractor personnel. Ergo, the on-site contractor must always provide on-site supervision and management of the staff working on-site. (Civil-service employees provide only technical direction to the contract personnel working on federal premises.)

Aside from that, a great many firms who specialize in supplying professional temporaries also have in-house capabilities for staffing, managing, and carrying out projects on their own premises. But many of those firms whose main enterprise is handling projects in-house are quite willing to carry out projects on the client's premises or to supply professional temporaries, so that distinctions between the two tend to disappear.

THE CONSULTANT AS A SELF-EMPLOYED INDEPENDENT

Much of the foregoing discussion is outside the scope of this book because this book focuses on the individual, independent consultant. As an independent consultant, however, you should be familiar with all kinds of organizations and markets for their services, for you can take advantage of all these modes of selling your services too. But, the case is a little different with the individual, independent consultant working on the client's premises, even on government premises. Here you must manage yourself, and the distinction between technical direction and direct orders becomes somewhat blurred. Even in the case of the client in the commercial or private sector, when you are working on a client's premises as an independent consultant, you usually find it necessary to be project oriented—to be at least as much concerned with final results as with conscientious effort. In a career as a consultant, if you are aware of and alert for these opportunities, you will almost surely find yourself able to take advantage of them to sell your expert services in all these consulting modes.

Whether you find yourself working mostly on clients' premises or in your own office depends largely on the kind of consulting service you provide, and perhaps even more on the basic nature of your clients. If you counsel individuals in personal matters, it is likely that you will have to arrange to receive them in your own offices.

First, because fees are generally by the hour, usually running to only an hour or two per consultation and by appointment, you must see several clients a day, making it impractical to call on the clients. In addition, it is usually necessary to have a controlled environment—privacy and quiet, for example—something often difficult to achieve in a client's home. And in at least some cases, you need direct access to certain resources, such as a computer, a library, or files.

On the other hand, if you serve organizations and the nature of your work is such that most of your assignments run to at least several days and are billed by the day, it is likely that you will work largely and perhaps entirely on the clients' premises.

SUITABLE FIELDS AND SERVICES

Probably everyone who enters independent consulting (or perhaps any independent business venture, for that matter) has an education coming to him or her; the world we face is full of surprises, and the longer we live, the more we learn how little we really know of it. My own early experience in presenting seminars was an eye opener for me, but it reflects a common problem of underestimating the value of what we offer, as I did in the example I cite here.

The Graduate Course Seminar

Many of us tend to assume that what we ourselves know well is common knowledge. The first time I conducted a seminar on how to write proposals for government contracts, I assumed that it would be a waste of time to teach the rudiments. I therefore planned to focus my presentation on the grand strategies that distinguish the great proposals, and brush hurriedly by the basics I thought were common knowledge to everyone with an interest in proposals and marketing to the government. In fact, I stipulated in my advertising that it was a graduate course and not at all suitable for beginners in proposal writing.

To my surprise, a generous portion of the 54 attendees who registered for that first session proved to be beginners, lured by my promises to reveal a number of inside tips, techniques, and strategies I had learned or developed over the years. (In fact, the cautionary note that it was not for beginners proved to be more an attraction than anything else, and undoubtedly was at least partially responsible for the extraordinary results I got from my first venture into seminar promotion.) There were also a number of thoroughly experienced people, including two senior executives who were in the process of forming a new division of their large corporation. They had come to the seminar to see if they could pick up even a handful of useful ideas.

Until I conducted that session, I had doubts that I could reveal enough little-known information to justify the cost and the full day's time spent by each attendee. (I seriously underpriced that first seminar because of this fear.) I was amazed to discover that even senior, experienced people were unaware of many basic facts that I thought to be quite fundamental and even obvious about proposal writing, facts that I would have expected senior executives to know as well as I knew them. (Later, I had

the satisfaction of having a senior executive of one large company bring groups from his staff to two successive sessions of my presentation, remarking that he found just one of the ideas I imparted to be worth the entire day's cost in dollars and time.)

Let the Client Choose the Services

I was quite surprised by the reaction to my coverage of the topic of costs—those cost analyses and detailed presentations required in most proposals. I had originally planned to do little more than mention these briefly in passing. To my amazement, that portion of my presentation proved to be one of the greatest areas of interest to the attendees. Even senior people tend to be somewhat confused and uncertain about direct and indirect costs, overhead, other direct, and many other basic cost elements and concepts, let alone the more esoteric jargon and concepts such as G&A and expense pools. I had originally thought that even if the attendees did not know something of the subject, they would be intensely bored by it.

This experience has been repeated in almost every seminar I have conducted, and I am always slightly surprised by it. Aside from my difficult-to shed feeling that accounting is a boring subject to most people, I can never believe that experienced proposal writers in contracting companies have so little understanding of what costs are, how they are generated, how they proliferate, how they are classified, what they really mean, and how they must be analyzed and presented. That is because I found the matter of costs a fascinating and critically important one many years ago when I first became involved in proposal writing. Unlike many other proposal writers, I was not content to surrender this portion of the proposal effort to the accountants (maybe I was recalling what Clemenceau said about war being too serious a matter to be left to the generals and decided that costs were too serious a matter to be left to the accountants); I insisted that I would work out the costs and let the accountants review them. I would not submit (and be responsible for the success of) a proposal until and unless I personally approved of everything in the proposal. In time, I became so knowledgeable about the cost side of the business that I took such knowledge for granted and assumed that everyone writing proposals was equally knowledgeable. Therefore, I was too modest about what I had to offer in this respect.

It's a common enough error. Most of us assume that we have special knowledge or abilities to offer to those unfamiliar with our fields, but not to those who are our peers in whatever those fields are. Not so: You can probably sell your services to your technical/professional peers too, once you take the trouble to learn the areas in which they most need help, or what part of your special knowledge or skills will be helpful, yet is not widely known or available in your profession. (Examples: shortcuts, methods, ideas, tricks of the trade you have learned from especially knowledgeable old timers, through extensive special reading and studies, or through your own experience, introspection, and innovation.)

We often make the mistake of trying to decide for ourselves what our clients need and want, when we should be asking the clients. That is, we should be doing a

great deal of experimenting by offering services and carefully listening and observing client reactions, to discover what works best.

This applies to virtually all professions and fields. Following, as the conclusion of this chapter, is a list of just a few of the many fields/areas in which consulting services are offered. Even these are, for the most part, generalized items, with various specializations possible within each. (Many were derived from the general index to the telephone company's Yellow Pages directory, which does not list consultants as a primary classification, but only as a subclassification within general headings.) Study this list to gain an appreciation of the diversity. You may find yourself qualified to consult in more than one field!

Even these are often too general. One security consultant, for example, may be a specialist in security devices—locks, alarms, barriers, safes, surveillance equipment, and other such items, while another is a specialist in guard forces, patrolling, background checking, and other security measures based on direct human surveillance. Most of the categories can be divided into several subcategories. Career and vocational counselors, for example, may easily specialize in at least a half-dozen areas. There are many kinds of engineers—civil, construction, mechanical, electrical, electronic, stress, and industrial—and these are all subdivided into many narrower specialties. Designers likewise fit into all kinds of categories—package designers, lighting designers, presentation designers—as do most of the specialists listed here. It is a rare field today that will not support a well-experienced specialist as a consultant.

Field Having Consulting Services

Accounting
Advertising
Agriculture/farming
Arbitration
Audiovisual presentations
Auditing
Automation
Aviation
Business and business planning
Business writing
Career and vocational counselors
Communications
Club management
Computer advisory services
Contract administration
Convention, conference, meeting planning/arrangement
Customer service
Data processing
Design
Drug and alcohol abuse
Editorial services
Educational counselors
Engineering, general
Executive compensation
Executive search
Financial management
Food preparation
Forecasting
Fund raising
Grantsmanship
Hotel management
Import/export
Industrial engineering
Industrial methods
Information management
Insurance
Labor relations
Lighting
Management

Marketing
Municipal services
Organizational development
Personal security
Public relations
Public speaking
Publishing
Quality control
Recreation program counselors
Restaurant management
Resume preparation
Safety
Sales management
Sales promotion
Security
Taxes
Technical writing services
Training
Transportation
Weddings and social affairs
Word processing services
Writing services