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## Building a Consulting Practice: Is it an Option for Me?



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Considering this option, however, should be viewed as a critical decision requiring much due diligence, preparation and planning. For starters, the following questions should be addressed prior to embarking on this endeavor:

### 1) **WHY?** Why are you considering this option? Is it a real option or is it a temporary solution?

On many occasions, as people find themselves in transition, they see consulting as an option that will keep them active and provide some income, as well as networking opportunities. Consulting is absolutely a great option and a smart strategy when one is in transition and looking to identify the next opportunity. It is important to determine if it truly is a temporary solution and strategy or an intentional career decision and next step. Once you determine which is appropriate for you, follow through for each will require different paths.

Be honest with yourself as you explore both scenarios and understand what is required and offered with each scenario. Don't make the wrong decision for the right reasons – make sure it is truly the right match for you personally, professionally and financially. Timing is also crucial ... maybe you truly do desire to build a consulting practice, but right now isn't the ideal time to do so. Understand all that is involved in creating, building and running a business. Talk to others who have done both and ask a lot of questions. Reflect on your strengths, weaknesses, needs, motivations, aspirations, values, interests and expectations. Go into it with your eyes wide open, realistic expectations and a well defined plan. Last but not least, consider all of the financial and economic realities and how they align with your needs.

Meet John – He was in transition and fell upon a substantive consulting engagement, which prompted him to establish his own practice and take on the assignment. Once the engagement ended, he realized he had not invested time in the marketing and business development initiatives necessary to build a pipeline of ongoing engagements and began doing so. After a couple of months without any new assignments, he not only realized he did not like that aspect of having a practice, he also realized he missed the camaraderie of working in a team and having the opportunity to collaborate with others on a daily basis. In addition, he found the financial irregularity was difficult for him to manage. John learned consulting was a great temporary solution and may do so again as needed; however, did not see it as a viable regular employment option for him.

### 2) **WHAT and HOW?** Here are some critical steps to consider and define in detail to determine how you might move forward to create and build your consulting practice:

- Which model is most appropriate for you (sole proprietor, incorporating, LLC, etc.)?
- Identify your key differentiator(s), personal brand and value-add.
- Define your content expertise. Establish a road map highlighting services and offerings.
- Create a business plan. Identify mission, vision, values, strategy and goals.
- Determine what tools and resources are necessary for you to be successful.
- Lay out a marketing campaign, business development initiatives and sales strategies.
- Network. Do you have a good mix of partnerships and alliances for support?

- What kind of accounting system and practices will you implement?
- Differentiate between consulting and contracting.
- Establish a pricing approach and structure.
- Economies of scale – determine short-term and long-term vision.

Meet Jane – after thorough self exploration and personal due diligence, she concluded it was time to realize a long-term goal of starting her own consulting business. She spent several months outlining her vision, conducting focus groups to test marketability, wrote a thorough business plan, developed a website and marketing collateral, created a marketing plan for the first 12 months, worked with an accountant to set up a sole proprietorship, accounting and invoicing system, as well as tax planning, and finally began reaching out to her network and executing her plan. With her first two to three years planned out, she set out to establish and build her practice with a vision, strategy and clear plan while remaining flexible to allow her business to evolve and open to unexpected opportunities. A key strategy included reaching out to others for support.

**3) WHEN?** Timing is critical! Once you determine the why and the what, just as important is determining the right time to embark on this venture. Doing so at the wrong time or prematurely could prove to be ineffective and not yield desired outcomes. It is important to be ready professionally, personally and financially to do so. Ask yourself the following questions:

- Have I accomplished what I desired on the corporate side (or government, non-profit or other non-corporate fields)? You don't want to look back and feel a sense of loss or feel unfulfilled by leaving your former roles – **Assess readiness professionally.**
- Am I passionate about creating and building a business? Do I possess entrepreneurial creativity and desire? Does this venture align with my own aspirations and goals? Do it because it's right for you and not for any other reasons – **Assess readiness personally.**
- Do I have the funds and budget to cover all of my bills (personal and business) for an extended period of time AND do I have the ability to endure irregular pay cycles? You need to be a good financial planner and fiscal manager – **Assess readiness financially.**

The good news is that both options – consulting as a transitional temporary solution or as an intentional career decision and next step – are very good options! Determining which option is the right one is an individual decision and requires a fair amount of exploration. Selecting the right option is empowering and very rewarding. On the other hand, making the wrong decision for the right reasons or the right decision for the wrong reasons can prove to be challenging and unrewarding. Recognizing that starting a consulting practice requires much personal and professional due diligence is key. Approaching it as building a business is critical to get the best results. Being focused, disciplined and very honest with yourself is at the core of making this important decision. Once you do so, treating it as a new business venture will prove to be effective and allow you to apply appropriate business principles and practices for success.

We are in a decade of continuous change and growth where very specialized skills, competencies and capabilities are sought after in all fields. Building a consulting practice can be very rewarding and exciting! Make sure it's the right option for you and if so, best wishes for much success for a thriving business! Enjoy the journey, push out of your comfort zone, take some risks and continuously search your entrepreneurial creativity!

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