

Reliability Engineering Services
HALT and Classcal Techniques
"Reliability Integration"

**IEEE-CNSV
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How to Grow Your Business from an Individual Consultant to a Consulting Company

by
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IEEE CNSV December 12, 2006

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Outline

- ◆ Pros and Cons of Transitioning to a Consulting Firm
- ◆ How to Transition from a One-Person Business vs. Organization
- ◆ Set Guidelines for Consultants
- ◆ What Type of Consultant to Look for: 4 Golden Rules
- ◆ How to Build a Network of Consultants
- ◆ Other Considerations to grow your business



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Presenter's Biographical Sketch – Mike Silverman

- ◆ Mike Silverman is founder and managing partner at Ops A La Carte, a Professional Consulting Company that has in intense focus on helping customers with end-to-end reliability.
- ◆ Ops A La Carte was named the 9th fastest growing private company, according to the Silicon Valley Business Journal
- ◆ Ops A La Carte is going on its 7th year and made the transition to a consulting firm in 2003
- ◆ In 2006, we worked on 192 projects and used 20 different consultants
- ◆ In 2006, we brought on 10 new consultants and 2 sales agents

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Pros and Cons of Transitioning to a Consulting Firm

One Person Business

- + Ultimate Control
- Limited Resources to Leverage from
- Can't Market and Perform Simultaneously




Organization

- + Ability to Leverage Resources
- Give up some control in work output/reputation
- Be careful not to get sucked into accounts

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RELIABILITY INTEGRATION

Reliability Engineering Services Integrated Throughout the Product Life Cycle

Ops A La Carte assists clients in developing and executing any and all elements of Reliability through the Product Life Cycle.

Ops A La Carte has the unique ability to assess a product and understand the key reliability elements necessary to measure/improve product performance and customer satisfaction.


Ops A La Carte pioneered "Reliability Integration" – using multiple tools in conjunction throughout each client's organization to greatly increase the power and value of any Reliability Program.

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How to Transition from One-Person Business to a Consulting Organization

- ◆ Start with a few overflow projects
- ◆ Stay with consultant model (don't go straight to employees)
- ◆ Transition out of day-to-day billing
- ◆ Set up mentoring system to assure consultants get started OK
- ◆ Hire project managers to manage schedule
- ◆ Use consultants to develop new materials
- ◆ Set guidelines for consultants



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Set Guidelines for Hiring Consultants


- ◆ Business license, insurance (IRS 20)
- ◆ Set up Proposal / PO system for consultants
- ◆ Work with consultants on how to upsell
- ◆ Never train on skills – illegal and too much time
- ◆ Make sure they are not relying on you for all their projects or they will fail
- ◆ Ask for Net 15 from customers and promise to pay consultant as soon as customer pays (you can't afford to be the banker and you can't take fall if customer is not satisfied)
- ◆ Maintain control of relationship with customer but stay out of details of work
- ◆ Have project manager track deliverables
- ◆ Set up review process for consultants' work

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How to Build a Network of Consultants

- ◆ Get names from existing consultants (offer referral fees)
- ◆ Advertise
 - at conferences
 - in newsletters
 - at society meetings
 - headhunters (?)
- ◆ Customers (don't steal but keep in touch)
- ◆ Layoffs (be careful they are not just doing until something better comes along)




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Three types of consultants

- ◆ Moonlighters
- ◆ New Consultant (just left industry)
(make sure they aren't still looking for job)
- ◆ Seasoned professional consultant



It is good to have a mix between all of these


	Consultant Type		
	Moonlighter	New Consultant	Established
\$	Low	Medium	High
Proposals	No help	Some help	Can write
Project Mgmt Req'd	Some	Less	Little
Upselling	None	Some help	Can do

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Other Considerations to Grow Your Business

- ◆ Hire Program Managers
- ◆ Hire Sales Distributors
- ◆ Advertising
- ◆ Conferences
- ◆ Seminars
- ◆ Web Site – search engines
- ◆ Newsletters
- ◆ Sales Collateral
- ◆ Franchising



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What Type of Consultant to Look for: 4 Golden Rules

- ◆ Bandwidth
- ◆ New Locations
- ◆ New Skills / Service
- ◆ New Industries



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Conclusion

- ◆ Understand the risk and then decide for yourself
- ◆ Set Guidelines for Consultants
- ◆ How to find consultants
- ◆ Other Considerations to grow your business

