FIRE YOUR BOSS & BUILD A SUCCESSFUL CONSULTING PRACTICE

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Product Development Consulting

Product Development Consulting, Inc. was founded in 1990 in Cambridge, Massachusetts with the goal of turning product ideas into market place realities.

- Professional Background
- PDC and its Strategic Intent
- Marketing is Not Sales
- PDC’s Marketing Strategy
- A New Case Study – TCGen, Inc.
You have what it takes

Correlation between intelligence and scientific productivity

- Once you cross a threshold of intelligence, other factors explain the output of great scientific contributors
- This applies to you and your success

Keith Dean Simonton “Scientific Genius”

Ability to market and sell is what it takes!

6 years in School, 12 years in Industry, and 6 years in Consulting
Learning from a Mentor

- Dr. Bose was a consummate technologist and marketer
- Innovations can occur in marketing
- “Can you sell?”

Understanding “Emotional Intelligence”

- Understanding emotions
- Motivation

Initiative - Listening – Preparation

- Listen! Listen! Listen!
- Understand client’s pain
- Abbott Laboratories
- Apple Computer, Inc.
- AT&T
- Baxter Healthcare
- Becton Dickinson
- Bose Corporation
- Boston Consulting Group
- Center for Quality Management
- Computervision
- CSC Index
- DataCard Corporation
- DuPont Medical Products
- Eastman Kodak Company
- Eaton Corporation
- Hewlett-Packard Company
- Honeywell, Inc.
- Keithley Instruments, Inc.
- Landis & Gyr Powers, Inc.
- Lucent Technologies
- Medrad
- The Nasdaq Stock Market, Inc.
- Norand Corporation
- Northern Telecom, Inc.
- Pacific Gas & Electric Company
- Stanford University
- Tektronix
- Teradyne Corporation
- Westinghouse
- Xerox Corporation
- 3M
### Consulting Rates Versus Contracting Rates

<table>
<thead>
<tr>
<th><strong>Unique Specialty</strong></th>
<th>Consultant</th>
<th><strong>Higher Rate</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Functional Role</strong></td>
<td><strong>Contractor</strong></td>
<td><strong>Faster Ramp</strong></td>
</tr>
<tr>
<td>Benefits</td>
<td>25%</td>
<td></td>
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<tr>
<td>Billability</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Gross Up</td>
<td>2.1 Times</td>
<td></td>
</tr>
<tr>
<td>Rate</td>
<td>50</td>
<td>Dollars per Hour</td>
</tr>
<tr>
<td>Weeks</td>
<td>50</td>
<td>Two weeks of holidays</td>
</tr>
<tr>
<td>Hours</td>
<td>40</td>
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</table>

**Target $100/Hr**

Gross 100000 Not Equivalent to $100K in Salary
To Become a Recognized Authority in Product Development

Metric: Frequent invitations to bid (and win) on consulting opportunities by leading developers of Fortune 500 companies (GE, Corning, Motorola, Ford, HP, Compaq, etc.).

Target: This would translate into approximately 1 invitation per month.
We often say “marketing” when we mean sales. Clarification:

- Marketing is to Sales as Research is to Development
- Marketing is Tomorrow, Sales is today
- Marketing is one on many, Sales is one on one
- Marketing creates demand, Sales fulfills it
- Marketing Makes Sales Simple
- MARKETING IS NOT SALES!!!
I didn’t say it was easy...

Total Hours Per Month
Marketing Hours Per Month
Marketing Percent

65 Hours Total per week
10 Hours of Marketing per week

Personal time records over a representative 7 month period
We have found speaking to be the best

- The bigger the better
- Explore functional and sector
  - Web 2.0/Agile (functional)
  - Clean Tech (sector)

• **Why is speaking best?**
  - Professional services is a fragile product
    - It is hard to evaluate, compare, or test
    - It is as much chemistry as content
    - The delivery is often, or in part, in person

• **Speaking is a performance!**
## Speaking Opportunities – Mostly Bay Area

<table>
<thead>
<tr>
<th>Type</th>
<th>Group</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Societies</td>
<td>IEEE</td>
<td>Consulting Network Silicon Valley Technology Management</td>
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<td>ACM</td>
<td>SF Bay ACM</td>
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<td>ACM SIGCHI</td>
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<td></td>
<td>PDMA</td>
<td>Product Development Management Association</td>
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<tr>
<td></td>
<td>PMI</td>
<td>Project Management Institute (Silicon Valley)</td>
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<tr>
<td></td>
<td>MIT</td>
<td>MIT/Stanford Venture Lab</td>
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<td></td>
<td></td>
<td>MIT Club of Northern California</td>
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<td></td>
<td>AMA</td>
<td>American Marketing Association (Silicon Valley)</td>
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<td></td>
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<td>American Marketing Association (San Francisco)</td>
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<tr>
<td>C Level</td>
<td></td>
<td>Silicon Valley VPE/CTO Community of Practice</td>
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<td>Organizations</td>
<td>MRT</td>
<td>Management Roundtable</td>
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<td></td>
<td>IIR</td>
<td>Institute for International Research Conference Board</td>
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<td>Education</td>
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<td>Stanford Summer Institutes</td>
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<td>Stanford</td>
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Speaking Topics - Areas to choose

- Identify a product / service area
- Develop a list of topics that you can talk deeply about
  - Direct experience
  - Passion
  - Lessons learned
  - Non-obvious conclusions
- Understand the zeitgeist
  - Detail areas that currently capture the imagination of audience
- Map the list of topics to the areas of interest to your potential clients
- Marketing to influencers is OK
What are our metrics?

- Three leads per speech
- One job per speech
- One placement per principal per month
- Speaking
- Print (Trade, business, local, etc.)
- PR
Analysis of the source of leads (by frequency) over several years

- Follow On: 35%
- Client Referral (Internal): 28%
- Conferences: 25%
- Seminars: 15%
- Client Referral (External): 10%
- Newsletter: 5%
- Professional Meeting: 2%
- Colleague Referral: 1%
Clutching at straws tactics (Maister)

- Publicity
- Brochures
- Direct Mail
- Cold Calls
- Sponsorship of events
- Advertising

A New Case Study – TCGen, Inc

- **Product Creation & Metrics Focus**
  - Contextual Inquiry (Product Definition)
  - Predictive Metrics (Measure Change & Manage Performance)
  - Fast Cycle Time Product Creation (Goldilocks Approach)

- **Our metrics (by end of Q2)**
  - 2 meetings/week with new prospects C-Level or Key influencers
  - Speaking calendar fixed for next 12 months (1 placement per principal per month)
If you want to make a go of it…

1) Pick your spot (be a Consultant not Contractor)
2) Relentlessly promote via speaking (focus on Marketing not sales)
3) Use metrics to manage firm (employ predictive metrics)
4) Listen, listen, listen (Help your clients eliminate pain)

And have fun doing it!