

Book Reviews

Note: Alan Weiss, author of the books reviewed below, will be the keynote speaker at the upcoming 2004 AIIP Conference.

Million Dollar Consulting: The Professional's Guide to Growing A Practice

3rd Edition, by Alan Weiss (New York: McGraw-Hill, 2003; ISBN 0-07-138703-X, US\$15.95, paper)

Reviewed by Mary Anne Shew, ShewTech Associates, mashew@shewtech.com

Whenever I am asked for advice about how to build and run a consulting practice, I always include a recommendation to read this book by Alan Weiss. Independent information professionals would also benefit from its advice and perspective. The author is well known for building a highly successful consulting and speaking practice and teaching others how to do the same thing. He also has a comprehensive web site, <http://www.summitconsulting.com>, on which he has posted many articles, such as "Addressing Fee Issues in Sensitive Environments" and "Collecting on Overdue Payments."

According to Weiss, *Million Dollar Consulting* is intended for "the entrepreneur who wants to build a blazingly successful solo practice." All of the book's advice is geared to the solo owner who has, at most, an assistant and a stable of services to which he or she outsources important but non-revenue-bearing tasks.

In Part 1, "Strategy: Establishing Your View of the Profession," Weiss reviews what a consultant is and is not, how organizations choose consulting help, and emphasizing results, not tasks. While many consultants would shudder at the thought, Weiss introduces the concept of gracefully abandoning clients. "One of the most important elements of [the strategies followed by million-dollar consultants] is to abandon the bottom 15 percent of your market on a regular basis," Weiss writes.

Weiss classifies a consultant's added value into six categories: content, expertise, knowledge, behavior, special skills, and contacts. It's Weiss's special genius that he recognizes and articulates the differences among the first three categories. He talks about "market gravity" actions, the intent of which is to draw people to the consultant. These actions include pro bono work, commercial publishing (books and articles), position papers, radio interviews, TV appearances, advertising, electronic newsletters, trade association leadership (!!!), networking, and at least a dozen more ideas. Work hard on activities that will attract attention to you and increase your reputation, thereby reducing the effort *you* have to make in cold calling and finding the right client in an organization.

With these actions, Weiss says, clients will find you instead of you having to find clients — the preferred position to be in.

Once a relationship with a client is established, Weiss offers ten ways to develop what he calls a breakthrough relationship (examples: #1, "Provide Valuable Information," and #6, "Facilitate Client Publicity"). According to Weiss, the "most important transition period for any consulting business is escaping the thinking that confines you to small successes." Especially in the current age of corporation layoffs, many consultants have to let go of the thinking, habits, language, and approaches that made them successful in corporate careers. "You grow based on exploiting strength, not acclimating to weaknesses," writes Weiss. At the end of Part 1, Weiss includes his list of "10 Basic Principles of Million Dollar Consulting," worth the price of the book alone. Weiss's list includes such essentials as #1, "The consultant will improve the client's condition," #5, "Fees are based on the value of those outcomes as perceived by the client;" and #10, "No one becomes wealthy solely as a function of the revenues they generate. It's not what you make. It's what you keep."

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In Part 2 of his book, Weiss focuses on the tactics to implement a vision. He writes of the “octopus condition” – the networking tentacles required regardless of whether one is just starting out or has a backlog of business. Weiss claims he can “trace about 90 percent of [his] business to just four sources, and even they are interrelated.” (Italics are Weiss’s.)

Weiss’s book also discusses offering discounted fees. Yes, discounted fees. Weiss discovered that about 80 percent of his speaking engagement clients took advantage of his offer of a 10 percent fee discount if the client paid the entire speaking fee at the time of booking the event. He began to offer the same discount to his consulting clients; 75 percent of them took him up on his offer. This is not an opportunity to inflate your fees accordingly; the discount must be a legitimate one. The rewards are having money in hand, having no receivables or periodic billings, and having the client’s “full attention” to someone who has already been paid. Weiss’s methods flout the conventional wisdom that offering a discount can damage a consultant’s reputation or business.

Weiss believes that to grow a business, occasionally people will be needed, whether as employees, subcontractors, partners, alliances with other firms, or other innovative relationships. At the same time, he warns that “full-time people are full-time overhead,” and cautions against building a cast of thousands.

Weiss’s book addresses the non-traditional outlets for finding clients. Outlets beyond the corporate world include family-owned businesses, nonprofits, business-to-business companies, professional firms, and franchises.

Chapter 9 covers “How To Establish Your Fees”, a perennial topic among consultants and professionals. A lot of what Weiss writes isn’t surprising— the secret lies in *actually doing* what he suggests, which often means moving out of one’s comfort zone, sometimes a difficult task.

Part 3 of Weiss’s book covers “Success: Achieving Self-Realization.” Weiss leads the reader through managing capital, accelerating growth, getting clients to call you, accelerating renewal and repeat business, and knowing money is only a means to an end.

Whether or not you agree with all he has to say in his book, Weiss gives his answers to the enduring questions of consulting with straightforward language and good examples. Do yourself (and your business) a favor: beg, borrow, buy, or steal this book.

Value-Based Fees: How to Charge—and Get—What You’re Worth

by Alan Weiss (San Francisco: Jossey-Bass/Pfeiffer, 2002; ISBN 0-7879-5511-6; US\$42.00, cloth)

Reviewed by Mary Anne Shew

Value-Based Fees is the third book in Weiss’s seven-book Ultimate Consultant series, and one that I often recommend when speaking at professional meetings.

Given the book’s hefty cover price, it is fair to expect a great deal from this book. Alan Weiss delivers. If you have read any of his other books, you will recognize in this one his signature style of humor blended with straight talk.

He lays the foundation in Chapter 1, “The Concept of Fees” (subtitled “Will People Actually Give Me Their Money for My Advice?”). The concepts presented in the first chapter will revolutionize your thinking about how to set your fees.

Weiss maintains that a consultant’s fee is based on *perceived value* and not on what has been done in the past, or how many hours worked, or deliverables provided. “Fees are dependent on value provided in the perception of the buyer,” he writes. Consultants often fail to establish a relationship with the legitimate, economic buyer, or to have the courage and belief system that support the high value to the client. Weiss asks, “if you don’t believe you are worth it, why should your clients?”

People believe they get what they pay for. Emotion makes them act, while logic only makes them think. Weiss labels these attitudes the Mercedes-Benz Syndrome. He suggests considering whether you are presenting an image consistent with the high value you offer: your materials, website, personal appearance, and demonstration of value. Weiss devotes Chapter 2 to describing the “lunacy” of the time and materials model to which we all fall prey. Chapter 3 teaches the basics of value-based fees such as focusing on outcomes, not inputs; the fallacy and subversive nature of “deliverables”; and measuring the unmeasurable.

Chapter 4 gets to the heart of the issue. “The fact that you could do something for less money, or that you could do more for the same amount of money, is irrelevant,” Weiss writes. So what is relevant to Weiss? Meeting the client’s objectives, improving the client’s condition, and delighting the buyer. But none of that is possible without trust as part of a relationship between the consultant and the client. Only then will the conceptual agreement be built: the business objectives to be met, the metrics or measures of success to assess progress, and the value to the client of meeting those objectives.

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Of course, accomplishing these objectives is not so easy. But, Weiss posits, isn't it just as difficult to follow a model in which the maximum amount one earns is based on the maximum number of hours one can work?

How does one take advantage of what Weiss teaches when one already has clients on board? It involves risk, scary risk: "Nothing raises fees like your willingness to walk away from business," Weiss writes. He offers a checklist to help evaluate clients to see where they fall on the continuum between those who have "high potential for changing to value-based projects" and those who "will not change short of nuclear war." Weiss recommends working with the former and, over time, letting go of the latter. Another of Weiss's scary tenets: deliberately abandon the bottom 15 percent of one's business at least every two years.

Chapter 6 compares value-based fees and retainers. Weiss defines retainers as compensation paid by the client representing access to the consultant and his or her talents for a specified interval. The chapter includes a list of the "Ten Criteria for Lucrative Retainer Agreement Conditions," dealing with issues such as client access to the consultant, when payment is made, defining boundaries, and a clear renewal procedure.

Chapter 7 is where Weiss gets down to brass tacks: "Sixty Ways to Raise fees and/or Increase Profits Immediately." Some are things one can do in the privacy of one's own office (#6, "Practice Stating High Fees"; #7, "Think of the Fourth Sale First"; and #13, "Remove Fees from All Promotional Materials"). Others are done with the client (#9, "Engage the Client in the Diagnosis", and #18, "Broaden Objectives as Appropriate to Increase Value").

Weiss warns that clients won't simply roll over and take all this from their consultants, especially when the clients are not used to dealing in terms of value. Chapter 8 arms the consultant with "How to Prevent and Rebut Fee Objections." Weiss makes a very good point in the opening paragraph: You already know what all the possible objections to your fee are going to be. So be prepared for them.

Chapter 9 provides great ideas for non-consulting income opportunities among them, keynote speaking and book writing. Chapter 10 gives "Fee Progression Strategies" with a holistic view of fees and how to raise them.

Weiss closes the book with six, one-page appendices containing lists to help qualify the economic buyer, establish

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business objectives, and other topics with the goal of determining the value of the work to be done.

Bottom line: Do not buy this book if you are not truly dedicated to changing your approach to your business. If you are dedicated to change, the \$42 book price will be repaid many times over. **aiip**

Mary Anne Shew is the owner of ShewTech Associates (<http://www.shewtech.com>), an Internet consulting and web design firm in Rochester, NY.

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See the Footnotes column for details.