

Building Your Independent Practice: From Startup to Market Leadership

By Andrew Sobel



ANDREW SOBEL
advisors

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I once had a client of who had clearly experienced too many internal meetings and too much corporate hierarchy. One day he said to me, wistfully, “You’re lucky. You don’t have anyone telling you what to do. You get to travel to interesting places and give speeches. You write books. You’re always working on some new and different project.”

I smiled politely, knowing full well that my client didn’t appreciate how much hard work and careful planning has to go into building an independent consulting practice. To him, it looked easy. It *is* a challenging journey, and there are some landmines you must watch out for on your road to independence. But you can achieve great success if you follow some basic strategies that have helped many go from startup to market leadership.

So how do you develop and sustain a successful, independent professional practice?

During my own 30-year career as a management consultant, I have built or helped to build three major consulting businesses. The first two were for Gemini Consulting, where I worked for the first 15 years of my career and served as a Senior Vice President. There, I helped start the UK business from scratch. Then, as Chief Executive of Gemini Italy, I led its growth from 5 to 50 staff and \$25 million in revenue in today’s dollars. In 1995 I founded my own practice, Andrew Sobel Advisors, which has grown steadily in revenue to exceed seven figures today.

But I’m just one example—and in some respects I grew more slowly than I could have. I’ve coached and mentored other practitioners who made market breakthroughs in just one or two years.

Based on these experiences, and on my work in coaching and mentoring professionals in consulting, accounting, law, and other fields, I have developed a practical approach to help solo practitioners and small firms identify their developmental needs and accelerate their revenue growth. I call this, simply, the *Practice Growth Model*. It comprises three concepts:

Summary

- Leading your own independent practice can be exhilarating and remunerative. You need to be attentive to avoidable missteps, however, and relentlessly build your capabilities over time.
- There are 6 core competencies you must develop: strong *Intellectual Capital*, deep *Client Relationships*, a compelling *Value Proposition*, *Marketing Gravity*, a rich *Network of contacts*, and a *Deep Generalist* personal development path.
- Intellectual Capital and Relationships are fundamental pillars of your practice. Break-through growth occurs when both are very strong.
- You must evolve your practice through four stages: (1) *Startup*, (2) *Sustainability*, (3) *Market Penetration*, and (4) *Market Leadership*
- With the right strategies and clarity of purpose, you can *accelerate* your path to Market Leadership
- Ultimately, you need the confidence and long-term outlook that can be cultivated through what I call “the mindset of independent wealth.”

The Practice Growth Model

I. The 6 Competencies for Success

II. Accelerating to Breakthrough Growth

III. Achieving Market Leadership

Let's look at each one in turn.

I. The 6 Competencies for Success

There are six major competencies that you must master to become a successful solo consultant who is able to sustain and grow a practice over many years. These are:

1. *Robust Intellectual Capital*

Intellectual Capital (IC) comprises the set of frameworks, ideas, strategies, points of view, and analytical approaches that you have developed. These constitute your “thought leadership” and they underpin and inform your client work. Intellectual Capital becomes intellectual property (IP) when it is embodied or expressed in a product such as a published article, book, assessment, video, or tool. Generally speaking you can copyright or trademark IP whereas IC is too general for legal protection (i.e., a lawyer will tell you that you cannot copyright an idea, only the specific expression of the idea). In a world crowded with look-alike competitors and clients who are overwhelmed with choices, *Intellectual Capital* is essential to set you apart from the masses. (See my article, [“Ideas Are Everywhere”](#), found in my article archive at www.andrewsobel.com).

Example

There are many ways to build your intellectual capital. One of my mentees has a published book, but her real notoriety has come through her weekly blog, which is followed by thousands of other professionals. Her blog has given her very high rankings in search engines, for her topic, as well.

You can reinforce your IC through multiple, reinforcing channels. My own four books have all focused on different aspects of building long-term client relationships. Augmented by a popular monthly newsletter (*Client Loyalty*) and over 120 published articles on the same topic, I've been able to create a “flywheel” effect that continually reinforces my brand and marketplace notoriety.

2. *Strong Client Relationships*

Consultants and other service professionals must be able to form enduring relationships with a core group of clients and earn repeat and referral business from them. Granted, some rare individuals offer such a specialized service that they don't normally work for the same client more than once. But even in that case, it's still important to develop relationship-building attributes such as empathy, big-picture thinking, a “deep generalist” perspective, trustworthiness, and conviction. My first book, *Clients For Life*, sets out a model, which is widely used by many large professional services firms today, of the seven attributes of successful trusted advisors.

3. *A Compelling Value Proposition*

A value proposition describes how you add value to your clients. Some consultants mistake their *methodology* for a value proposition, saying things like “I coach executives” or “I reengineer supply chain processes.” I have several value propositions that I use, depending on the type of client and the issue at hand. For the large professional services firms that I advise, my value proposition is “I can help you develop your clients for life.” A longer version is, “I can help your company grow revenues by developing the individual and institutional capabilities needed to consistently expand existing client relationships and acquire new ones.” For the clients that I mentor, it is “I can help you accelerate the growth of your professional practice and reach market leadership.” In conversation, it’s often effective to follow up a statement of your value proposition with a short client example: “I help clients grow....let me give an example of that.”

Example

One consultant marketed her “workshop facilitation” services to Human Resources managers who had limited budgets and who constantly tried to bargain about fees. A redefinition of her value proposition to helping clients make “Faster, Better Decisions” allowed her to attract business unit executives as clients and charge higher fees.

4. *A Network of Valuable Contacts—Your Relationship Capital*

My research shows that in the careers of most professionals, there are usually 20-25 key relationships that really make a difference. Not all of these individuals are clients. In fact, it turns out you need to think broadly about your *relationship capital* and to consciously develop relationships in five or six major categories: *Clients* and prospective clients; *Catalysts*, who can introduce you to others and make deals happen; *Collaborators*, which could include law firms, banks, accounting firms, etc.; *Counselors*, who advise and mentor you; and *Companions*, your friends and family who nurture your emotional and spiritual side (this framework is set out in detail in Chapter 4 of my most recent book, [All for One](#), which is entitled “Developing Relationship Capital”). If you work with a firm that has more than a handful of professionals, then *Colleagues* would be an additional, important category. I call these 20-25 the “critical few.”

Example

Try writing down a list of your 20 most important professional relationships. How easy was it to make your list? Are there people on it that you have been ignoring and need to reengage with? Do you understand the priorities and needs for each individual? How could you help them achieve one of their goals?

In addition there are also “the many,” the hundreds of other contacts in your database that you should stay in touch with in a cost- and time-effective manner. The *critical few*, however, merit a substantial amount of your time investment in relationship building. There are of course, different models you can choose from in terms of how you go about building your network and what markets you focus on—see a description of these in “[Six Models for Building a Client Franchise](#).”

5. *Effective Marketing and Sales—Developing Your Marketing Gravity*

What a difference there is between calling on a prospective client to pitch your services and getting a call from someone who says “I need to speak with you!” Do you want to knock on doors...or wake up and open your email to see the header, “Keynote speech request”?

It is through various publishing, marketing and sales efforts that you communicate your well-articulated value proposition to your chosen target clients. This creates what author Alan Weiss calls “Marketing Gravity.” Instead of you knocking on clients’ doors, clients are *attracted to you*. There are several dozen channels you can use to reach your target clients, including publishing, speaking, newsletters, direct mailings, white papers, client referrals, a web site, blogging, and so on ([click here to get the PDF of my article on “traffic building” strategies to build your leadstream](#)). Once you are in front of a prospective client, you then have to build a trusting relationship. Initially, you have 4 goals: to build rapport, understand their issues, demonstrate your credibility, and then identify a next step to further progress the relationship towards a proposal and sale (see “[Holding Successful First Meetings](#)”). Remember, your goal is to build a *relationship* and create a *buyer*, not sell your solution. (For more tips on marketing and sales, see, “[The Economics of Business Development](#)” and “[Differentiating Yourself](#)”).

Example

A shift from “telling” to “showing” transformed the sales effectiveness for one of my clients. *Telling* is when you say you’re the best, provide statistics about your practice, and describe your methodologies. *Showing* is when you share short client examples, best practices, potential ideas, and references with your prospect.

6. *Self Management and Development*

Strong relationship building skills, and the ability to develop good Intellectual Capital, require a foundation. That foundation consists of what I call your “Deep Generalist” capabilities. A Deep Generalist is a professional with great *depth* of knowledge in their core expertise; as well as a *breadth* of knowledge about the business world and the markets and industries their clients operate in. Deep Generalists are able to squarely place their services within the context of their clients’ business goals, and because of their breadth, they make creative knowledge connections that others do not. They also connect with senior executives more effectively than narrow specialists. To become a Deep Generalist you must engage in continual personal development, maintaining a burning curiosity as you read widely and hone your intellect.

“I have no special talents. I am only passionately curious.”

—Albert Einstein

“An artist has to be careful to never think he’s arrived somewhere. He has to be in a constant state of becoming.”

—Bob Dylan

(Independent practitioners can definitely teach some things to large professional firms—see my article, “[8 Best Practices from Independent Professionals](#).”)

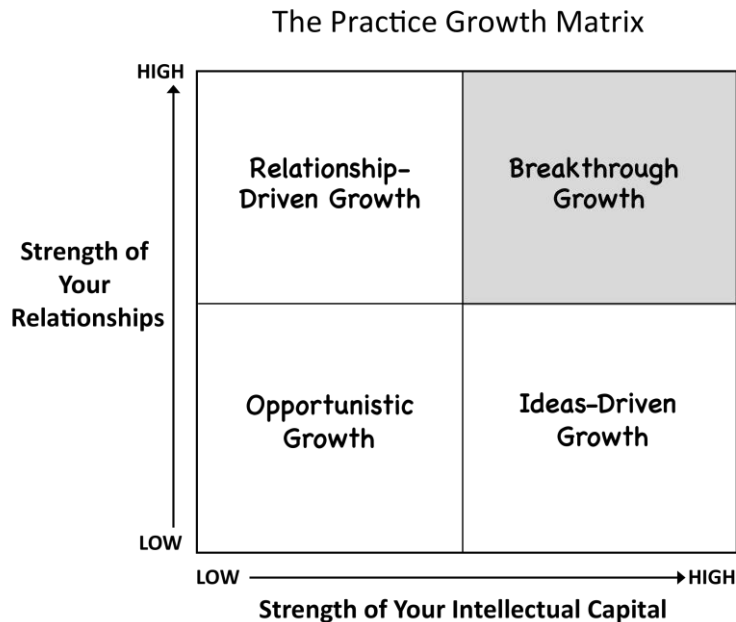
All of these factors are important. Two of them, however—*Intellectual Capital* and *Relationships*—are especially critical and they explain, I believe, a great deal of an individual consultant’s success. To create a simplified view of what it takes to grow a practice, let’s therefore apply “Occam’s Razor” to our list. Occam’s Razor was postulated

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by the 14th century English theologian William of Ockham, who wrote "entities must not be multiplied beyond necessity." Put more clearly, it means "the simplest explanation is usually the best one." So, if we combine Intellectual Capital and Relationships into a two-by-two square, we get the *Practice Growth Matrix*.

II. Accelerating to Breakthrough Growth

The contrast of these two core competencies creates four quadrants:



Let's look briefly at each of the four.

Quadrant 1: *Opportunistic Growth*. At this stage you are bringing your work experience, education, and historic relationships to the table as you launch and establish your practice.

The challenge: If you don't develop a network of buyers, deepen your relationships, and start to build your intellectual capital, you'll be living hand-to-mouth forever—your growth will be based on opportunistic factors not a systematic approach.

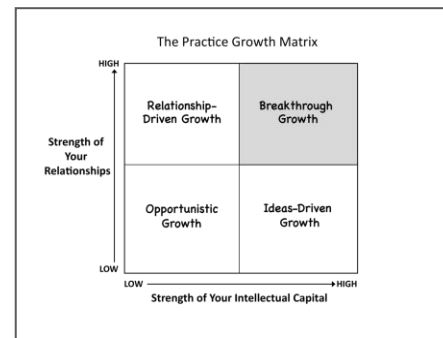
Quadrant 2: *Relationship-Driven Growth*. Often, during the first few years of a new consulting practice, you rely on just a couple of major clients for your work. They don't care if you haven't published a bunch of articles or a book or if you've developed a five-step model for process re-engineering—they know you and trust you, and appreciate your knowledge of their organization, your skill, and your judgment. (That's how I got started when I left Gemini Consulting 15 years ago!).

The challenge: It's wonderful to have a core group of relationship clients, but it can be risky to be reliant on just a few of them. If you're just starting out, remember that acquiring one or two clients is a great start but does not constitute a sustainable practice!

Quadrant 3: Intellectual Capital-Driven Growth. By developing compelling thought leadership around a topic, you create your Marketing Gravity. This draws clients to you and makes you an object of interest to prospective buyers. A powerful idea that you can package into a ready solution for clients can drive very rapid growth—just look at the early days of strategy consulting firms like Boston Consulting Group, whose growth-share matrix and “time based competition” concepts attracted many clients; or Bain & Company's work on customer loyalty.

The challenge: Even with great intellectual capital, you still have to acquire, manage, and retain clients. You also don't want to be a one-trick pony who is so strongly identified with just one management tool or service that you end up being a hit-and-run consultant with a purely transactional client base.

Quadrant 4: Breakthrough Growth. When you combine great intellectual capital with strong client relationships, you can drive breakthrough revenue growth. Your IC gives you a platform to reach out to a broader network with your marketing efforts (a published book, a newsletter, forums, speaking engagements, and so on) as well as the right to charge high fees; while your powerful, core relationships provide a steady revenue stream, a low cost of sales, referral business, and a testing ground for newer services that a longstanding client will willingly buy from you. (In this quadrant, you are perceived as a Trusted Advisor or Trusted Partner by many of your clients. See my article on making this evolution, “[The Next Level: Trusted Partner](#)”).



I believe you can approach the Breakthrough Growth quadrant from either angle—from a position of having deep, core client relationships; or, by leading with strong Intellectual Capital; or indeed, an equal blend of both. I actually started out with a relationship-based model and then shifted to an Intellectual Capital model when I wrote my first and second books, *Clients for Life* and *Making Rain*. At that point the pendulum swung back as I built a new set of core of relationship clients that had been drawn to my books.

III. Achieving Market Leadership

I find that solo practices can potentially develop through four phases. These are:

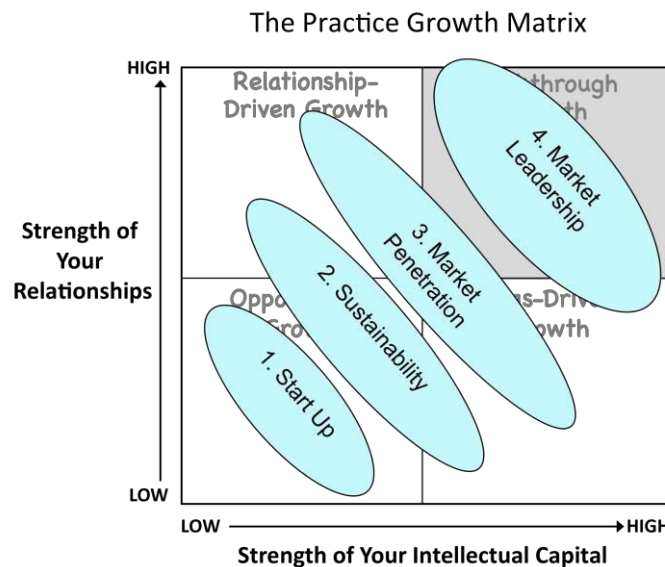
1. Start up: You are just finding your first clients and trying to get established as a solo practitioner.

2. Sustainability: Here, you bridge the gap between starting with a couple of projects for one client and having a sustainable practice based on multiple clients and a variety of projects. This can happen in year one or it might take a couple of years.

3. Market Penetration: At this stage you further expand your practice and build a long-term network of past, present, and prospective clients. You have achieved strong capability in most if not all of the 6 competencies described earlier. (See my two-part article, “20 Opportunities to Grow a Client Relationship” [Part 1](#) and [Part 2](#))

4. Market Leadership: If you make it to this stage—and not everyone does—you become an acknowledged thought leader and leading practitioner in your chosen market niche. Often, this does not occur until later in your career, simply because it takes time to build up a body of work and cultivate the lifelong network of relationships that supports a position of market leadership. However, by focusing on and investing in the development of your core competencies, you can reach Market Leadership more rapidly—it can happen in years, not decades. Well-chosen investments in yourself will always have a significant payoff.

We can take these four stages of practice development and overlay them on the Practice Growth Matrix, which then gives you an idea of how developed your Relationships and IC must be in order to progress towards market leadership:



Do you have the right mindset?

There is one final thing that is essential if you want to work as an independent professional—I call it *the mindset of independent wealth**. Some years ago, I was interviewing a CEO of a \$20 billion telecommunications company for one of my books. I’ll never forget what he said to me: “You know, Andrew, I wish all of my advisors were independently wealthy. That way, I’d know that they are putting my agenda first, being

truly objective about my issues, and always telling me the straight story without regard to financial outcomes.”

You may not be actually independently wealthy, but you can cultivate a similar mindset regardless of your economic condition. This requires three things: You need to treat your clients like a peer (not look up to them or down at them); you must never have the “clock running”—you have to be completely in the moment when you’re with a client; and you need to exude enthusiasm and passion for your work (we all love enthusiasm—it’s contagious). If you exemplify these behaviors, you’ll have an attractive aura that draws clients closer. After all, aren’t these the very same qualities that would attract *you* to someone else in your professional life? If you embody the mindset of independent wealth, you’ll have a centered quality that will serve you well in every aspect of your professional practice (see my article, “[The Mindset of Independent Wealth](#)”).

When I mentor solo practitioners, I often start with three basic questions: “What is the state of your practice today?”; “What assets do you have that you can build on?”; and, “Where do you want to be in two or three years?” We then identify the changes they need to make to achieve their goals. Does their value proposition need sharpening? Do they need to develop their marketing gravity? Do they want to expand their service offerings? Would they like to target a new segment of clients?

Everyone usually has some particular issues they want to work on, but these frameworks are helpful to provide directional guidance. The attached self-assessment, on the next page, might also be useful to reflect on where you are starting from. As we then get into the details, I bring to bear my experience to recommend the specific actions required to close the identified gaps, and also to help identify any potential potholes that may be lurking ahead.

Further Reading

Power Questions: Build Relationships, Win New Business, and Influence Others (John Wiley & Sons, February 1, 2012)

Clients for Life: Evolving from an Expert for Hire to a Trusted Client Advisor by Andrew Sobel (Simon & Schuster)

All for One: 10 Strategies for Building Trusted Client Partnerships by Andrew Sobel (John Wiley & Sons)

Making Rain: The Secrets of Building Lifelong Client Loyalty by Andrew Sobel (John Wiley & Sons)

Andrew Sobel’s Article Archive: <http://andrewsobel.com/articles>

SIX COMPETENCIES SELF ASSESSMENT

How would you assess yourself on the core competencies required to build, sustain, and grow a vibrant independent practice?

Rate yourself from "Entry Level" to "World Class"

Core Competencies	1 Entry Level	2	3 Average	4	5 World Class
1. Intellectual Capital	I bring my work experience and some methodologies to the table				I am recognized as a leader in my field by clients and am widely published (including a book or acclaimed articles). Others frequently quote me and reprint/pass on my work.
2. Relationships	I have one or two clients and am positioned as an expert for hire				I have a broad core of relationship clients and an extended network of periodic clients. I am viewed consistently as a trusted advisor/trusted partner by senior economic buyers
3. Value Proposition	I have a methodology and set of experiences that enable me to help clients with specific problems or issues.				My value propositions are clear, compelling, and succinct. My value includes my ability to deliver <u>benefits</u> but also, through my brand, to reduce risk and to reaffirm a client's buying decisions ("We've hired the best there is!")

6 COMPETENCIES SELF ASSESSMENT—CONTINUED

How would you assess yourself on the core competencies required to build, sustain, and grow a vibrant independent practice?

Rate yourself from “Entry Level” to “World Class”

Core Competencies	1 Entry Level	2	3 Average	4	5 World Class
4. Network	I bring my historic network of contacts to my new business				I have developed rich “relationship capital” with a broad variety of individuals, including clients, influencers, collaborators, other thought leaders, etc. I understand others’ agendas and help them meet their goals. I focus much of my relationship building on the “Critical Few” while continuing to add to my broader network.
5. Marketing Gravity	I am actively prospecting with my contacts and trying to get my name in front of potential buyers				As a leader in my field, clients call me. Nearly all my leads are from repeat clients or inquiries from new clients who call after they have read my work, seen me speak, or otherwise heard about me from a friend or colleague.
6. Personal Development	I am developing my core expertise and my basic consulting/professional skills				I read widely from many sources. I invest regularly in my personal development, and I’m eclectic in my choices of subjects to explore. I am a “Deep Generalist”—I continually work to deepen my core expertise(s) while also increasing my breadth of knowledge.

ANDREW SOBEL



Andrew Sobel is the leading authority on the strategies and skills required to earn lifelong client loyalty and build trusted client partnerships. Andrew is the most widely published author in the world on this topic, having written eight acclaimed, bestselling books on business relationships including *Power Relationships*, *Power Questions*, *All for One*, and *Clients for Life*. His last book, *Power Questions*, has been translated into ten languages and spent 52 weeks on the Bookscan National Business Bestseller list. He has also published over 120 articles and contributed chapters to four books on leadership, strategy, and marketing.

Andrew has worked for 31 years as both a strategy advisor to senior management and an executive educator and coach. Many of the world's leading companies number among Andrew's clients. These include established public companies such as Citigroup, Bank of America Merrill Lynch, WPP, Xerox, Experian, Hess, Cognizant, UBS, and Lloyds Banking Group; and also many privately held professional service firms, including Deloitte, Ernst & Young, Bain & Company, Spencer Stuart, Booz & Company, Booz Allen Hamilton, and many others.

His articles and work have been featured in a variety of publications including *USA Today*, *The New York Times*, *Business Week*, the *Harvard Business Review*, *Forbes*, and *strategy+business*, and he has appeared on numerous national television programs.

A former Senior Vice President and Country Chief Executive Officer with Gemini Consulting (formerly the MAC Group), Andrew lived and worked in Europe for 13 years and speaks four languages. He graduated from Middlebury College with honors and earned his MBA from Dartmouth's Tuck School. He is president of Andrew Sobel Advisors. He can be reached at www.andrewsobel.com.

