

## INTRODUCTION

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### Consultants of all stripes are America's Emerging independent work force

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#### **The Job Market Has Changed, and So Has Consulting**

A large, independent work force is rising from the ashes of corporate downsizing, and it's no wonder. The *New York Times* reported in 1993 that *Fortune* 500 firms had downsized by more than 3.6 million jobs, "and the process seems to have accelerated." The *Wall Street Journal* proclaimed "the end of job tenure." Global economic turmoil has killed job security and rewritten the compact between managers and the executive suite. By the spring of 1993, white collar unemployment exceeded blue collar unemployment by 200,000 jobs, "the first such gap on record," according to the *New York Times*. *Fortune* magazine has called it "a social transformation as massive and wrenching as the industrial revolution."

The same forces that are closing doors to managers are opening doors to independence: men and women abandoning traditional corporate and government careers to seek their fortunes on the outside, selling services and accumulated know-how back to their former employers, finding new security by spreading their income over half-a-dozen clients or more, and taking responsibility for their own fulfillment and financial well-being. Yet, what may be the fastest-growing segment of the work force doesn't have a name. *Business Week* calls them "corporate refugees." Others call them "the portable work force," "outsourcers," "elite temps," or just plain independent contractors. I count myself among them, and in this book, I call us consultants.

Consulting is an old label that conjures up arcane experts in tweed jackets, or flashy young MBAs from high-buck East Coast firms. But the label is being worn in exciting new ways. Today, consultants come in every stripe, and you don't need to be an expert or an MBA to become a hot property in the marketplace. In this book, I use the word *consultant* to encompass a wide range of white collar workers supporting themselves outside of organizations, working alone or in small groups, selling information and intellectual services. Their clients are often the same mainstream companies that once prized the loyalty of managers and looked upon those who left as defectors. These companies now see that it makes better business sense to "buy"

rather than “make” a good deal of the staffing, production, marketing, and support services that are essential to their success.

In my mind consultants are distinct from entrepreneurs. Entrepreneurs are bent on starting companies, growing them, taking them public, and reaping the riches of capitalism. This is not a book about getting rich. It is a book about finding fulfillment and financial well-being by going on your own, and enjoying a new life of independence in the bargain.

### **The Road to Consulting is Not Always Obvious**

In 1980 at age thirty-two I decided I needed serious help with my career. I was a successful manager in a large corporation, but it wasn't as satisfying as I had expected, and I resented the rules that put important decisions about my career into other people's hands. I went to one of those psychology firms that does executive screening and hired myself one of the principals and the full battery of tests to get to the bottom of things. Four hundred dollars.

When I returned for the report, the consulting psychologist showed me to a chair in his office, took his seat behind his desk, and handed me a gray folder. Across the front was written Psychological Evaluation in big black letters. I opened it. “Vocational Assessment, Peter Brown.” The page was dense with type. There, in words more penetrating than I might have hoped, was my conflicted self reduced to type. And toward the bottom, this: “You are feeling mildly depressed and lacking a clear sense of direction at the present time.” Bingo.

Next, the psychologist unfolded a large chart designed to reveal how my interests compared with the interests of people in about seventy-five different vocations. Asterisks, scattered randomly across the page, picked out my soulmates: musicians, investment fund managers, dentists, professors, photographers, and men in the merchant marine.

So. There it was. We both stared at the asterisks, as if with time they might organize themselves into a revelation. What, he asked finally, did I think I might like to *do*?

I was at a loss and searched his face for a clue. “Consulting?” I said.

“Oh, yes!” he said. He gave me a confident grin. “You'd be great at it.”

So I paid my \$400 and became a consultant.

In fairness to the psychologist, his tests and interviews really *had* captured me on paper—establishing my dilemma but not pointing to an answer. I had to discover the right direction for myself. That encounter was significant for me not so much in what I learned from the psychologist or the signs from his tealeaves but that, in going to ask the question, I had taken a first step out of the world of conventional assumptions about jobs and careers.

I jumped the job track into consulting with no more credentials than a bachelor's degree in liberal arts, eleven years' work experience, and the contacts I'd established during those years. I've been on my own ever since, and the psychologist was right: it was a very good fit. I found my focus as a planning consultant, a broad niche that's put me into the path of a wide variety of opportunities. And, importantly, I've made a good living doing it.

### **How to Tell if the independent life Is Right For You**

When you discover you can make it in the marketplace all on your own, you find yourself in a new world of opportunity. Suddenly, you have a whole new concept of work, self-worth, and

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economic security. Being independent means calling the shots, getting the financial benefit of your own hard work, building equity in a business with your name on the door.

More and more people are doing it, and many employers are helping them by providing start-up contracts, referrals and support. Unlike permanent employees, consultants can deliver results and be gone, helping employers solve problems and meet special needs without adding to overhead.

If you're thinking of jumping the job track but the thought raises more questions than answers, I'm here to tell you the risks are manageable and the rewards are substantial.

To make the decision, you need to know two things: (1) whether the independent life is right for you, and (2) how to make a success of it.

To answer the first question, you need to visualize life as a consultant. This book will help you do that. I've talked to dozens of people around the country who left their jobs and went on their own. Many tell their stories in this book—why they went on their own, what went right, what didn't, and the lessons they'd like you to know.

To answer the second question, you need straight talk about the basics:

- What's the risk?
- How do I get clients?
- How much will I make?
- How do I set my rates and price jobs?
- Do I need to incorporate?
- What should I call my business and where should I locate?
- How do I get fringe benefits?
- What about contracts? Record keeping? Taxes?

This book answers all these questions and many more with practical advice to build a successful business and keep it simple and profitable.

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### *Who I Interviewed and How I Found Them*

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The people you will meet in this book are excited about working independently. Some I have known for years, others I found by networking. To be fair to you, I set some criteria to make sure the people who were whispering into your ear knew what they were talking about. I looked for people who had left traditional jobs to go on their own, had been on their own at least five years, and were making a middle-manager's salary or more, which I defined as \$50,000 to \$100,000 after business expenses. Almost all of the people you will meet here are at the high end of the range or well above it.

I wanted variety, too. The women and men you will meet range from a circuit board-layout consultant to a First Amendment attorney. From a rural, white husband-and-wife team of national public-policy consultants to an urban, black, international pricing consultant. From finance, market research, and telecommunications consultants to a Mohican Indian applying the principles of the Medicine Wheel to teach corporations how to change their cultures. They are turned on people, doing important work, making it on their own.

I talked with many other consultants. I didn't have room to write a complete profile of each, and some hadn't been in business long enough to meet my criteria. Still, their experiences

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were illuminating and entertaining. You will find them interspersed within the chapters, beginning with Bryan Robertson, who opens chapter 1 with a great story about how he came to throw over a successful corporate career to start his export consulting business.

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### *How the Book is Organized*

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The book is in two parts. The first ten chapters contain the more urgent material and the advice from consultants on topics that you won't find in any other book about starting your own business: how to know when it's time to leave your job, how to build bridges to independence, how to figure the risks and rewards, how to set your rates and get clients, how to bill, how to grow without hiring employees, how to keep control of your business, and how to adapt to the natural cycles of consulting.

The last four chapters are full of nuts and bolts: how to pick a name and location, whether to incorporate, how to project your revenues and expenses, how to provide your own fringe benefits, how to protect yourself from liability, how to keep records, and how to keep your nose clean with the IRS.

Each of the first ten chapters closes with a profile of a consultant who meets the criteria set out above, and whose experiences and wisdom help illustrate points in the chapter. There is an eleventh profile following chapter 14 to close the book. In the subtitle for part 1, "What Twelve Successful Consultants Would Like You to Know," I count those eleven and myself.

All of the consultants I talked to were glad to have a chance to share what they'd learned and wished they'd had a book like this to help them get started.

If you're thinking of jumping the job track, meet the people in this book and listen to what they'd like you to know.

Peter Brown  
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