

Starting a consulting business

By Donna Sardina, RN, MHA, WCC, CWCMS, DWC

Starting your own consulting business is an exciting and rewarding experience: You're the boss; you're in charge. The question is, do you have what it takes? Along with the excitement of being the boss comes the responsibility of decisions and commitment. Your decisions will affect whether the business is a failure or a success.

To succeed in consulting, you must be an expert at recognizing problems and shaping solutions to those problems, and you must possess excellent time-management and networking skills. If you think you have what it takes to be a consultant, read on. This article gives an overview of the process.

Nature of the business

Businesses hire consultants for their expertise to help them identify problems, supplement staff, institute change, provide an objective viewpoint, or teach.

Examples of specific services you can offer include single patient reviews, serving as a member of the wound care team, making wound rounds on all patients, providing education, patient teaching, protocol development, and troubleshooting.

These services are provided in many settings—long-term care, home care, long-term acute care, rehabilitation hospitals, acute-care hospitals, insurance companies, and primary-care provider groups.

Revving up your business

Here are a few tasks you'll need to undertake when creating your business.

- ✓ **Research regulations and laws concerning formation of a business in your state.** For links to business regulations, visit the **U.S. Small Business Administration (SBA) website**.
- ✓ **Choose the legal structure for your business.** The most common forms of business are the Limited Liability Company (LLC), sole proprietorship, partnership, and corporation. The **SBA** describes each of these. Consult an accountant or

How much should you charge?

If you charge too little for your consulting service, you won't succeed in business. If you charge too much, you won't get many clients. Determine if you want to charge an hourly rate, a per-project fee, or a retainer fee.

- **Hourly rate.** To calculate what your services are worth hourly, keep in mind your driving time, gasoline costs, such supplies as forms and equipment, malpractice insurance costs, and the value of your knowledge. A good starting point is at least \$100/hour.
- **Project rate.** Determine the amount of time, preparation, and supplies it will take to complete each project, and propose an amount based on your predetermined hourly rate.
- **Retainer fee.** With this arrangement, you receive a monthly fee for an agreed-upon number of hours for which you'll be available to the client. The current retainer rate for consultants is approximately \$3,500 a month for 120 hours.



Marketing your business

A business can't succeed without good marketing. Stay focused on what you're offering and your expertise. Marketing opportunities aren't the place to be humble. Marketing strategies include the following:

- Establish positive client relationships. Excellent service brings repeat business.
- Start with people you know as a way to build referrals.
- Network. The more visible you are, the greater the chance your name will come to mind when someone's seeking a consultant.
- Join the organizations your clients belong to.
- Speak in public at meetings to let people know your expertise and to make connections.
- Write books, articles, and newsletters. Getting published establishes your reputation for excellence in wound care.
- Participate in social media, such as Facebook, Twitter, and LinkedIn.
- Do direct-mail advertising. Advertise your business by sending postcards, sales letters, or brochures to potential clients.

lawyer before you make your final decision; he or she can also help you file the necessary paperwork.

- ✓ **Identify your market.** Determine how you will build your customer base, including referrals, word-of-mouth, cold calls, and advertising. Know your competitors in the market you're planning to serve. Get answers to such questions as: How many competitors will I have? Where are they located geographically? What do they do? What do they charge? How do they compare in terms of products and services offered and pricing?
- ✓ **Prepare a business plan.** Your plan should be a detailed written description of all aspects of the proposed business. This comprehensive planning document will serve as your road map, blueprint, and operating tool to help you clarify your ideas and business direction. Elements of a business plan include the mission, a list of products and services provided, marketing strategy, and a financial plan that contains estimated expenses and revenues for the first 3 years. Remember to include a management plan—how your company will be organized—that addresses employees, subcontractors, and a board of directors. Describe the founders and principal managers who will run your firm, and how daily operations will work.
- ✓ **Create your home office.** If you're starting your business on a shoestring budget,

you'll probably want to begin by working from your home. Basics that you'll need include a computer, printer, telephone with message service, a mobile phone if your home phone is a landline, and Internet access.

On the road to success

Give yourself the best chance of success by:

- treating others in the way they would like to be treated ("platinum" rule)
- providing excellent customer service
- being patient (it takes time to establish a business)
- working hard
- being honest.

This article has touched on some of the key factors of starting a consulting business. Remember that the **SBA** is an excellent resource. ■

Donna Sardina is Editor-in-Chief of *Wound Care Advisor* and cofounder of the Wound Care Education Institute in Plainfield, Illinois.

Note: The information in this article does not constitute legal advice.

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