Determining Your Income Potential as a Consultant



The Co-Founders of LEAP







In Today's Session

- How to determine the market rate for your services as an independent
- Balancing the four factors that determine your income potential
- Avoiding the three common financial traps that trip up independents

The Allure of Consulting



Control & Flexibility



Income Potential



Do More of the Work You Love



Challenge Yourself

Let's Talk Money Today!



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Determining Market Rate

Your Power Play



Power Play Example



Market Rate Factors

- Your industry
- Your skill level
- The demand for your specific skills
- Your geography
- The economy



Your Market Rate is Set

- You just have to find it!
- Do your research some places to start:
 - Nation1099
 - <u>Upwork</u>
 - Toptal
 - Guru
 - PWCTalentExchange
- Ask others who do similar work

Rate Structures

- Time based: hourly or daily
- Project based: fixed fee for set deliverables
- Performance based: fee depends on the outcomes
- Retainer based: base fee paid in advance
- Hybrid models: creative combinations



Where Are You in the Value Chain?



Pair of Hands

- Efficiency
- Out put
- Work ethic

Problems Solved

- Analytical Skills
- Technical Expertise

Opportunities Realized

- Visioning Skills
- Ability to engage others in something new

Thought Leadership

- Subject matter mastery
- Ability to communicate new ideas clearly

Trusted Advice

- Trust worthiness
- Breadth in your area of expertise and business

The Four Factors

That Determine Your Income Potential

1. Your Rates

You begin with a market rate and can increase your rates though:

- Clearly defining & delivering on your business value
- Adding certifications and credentials (that matter)
- Establishing subject matter expertise in a topic that matters
- Specializing in a high demand specialty
- Expanding experience
- Expanding client base



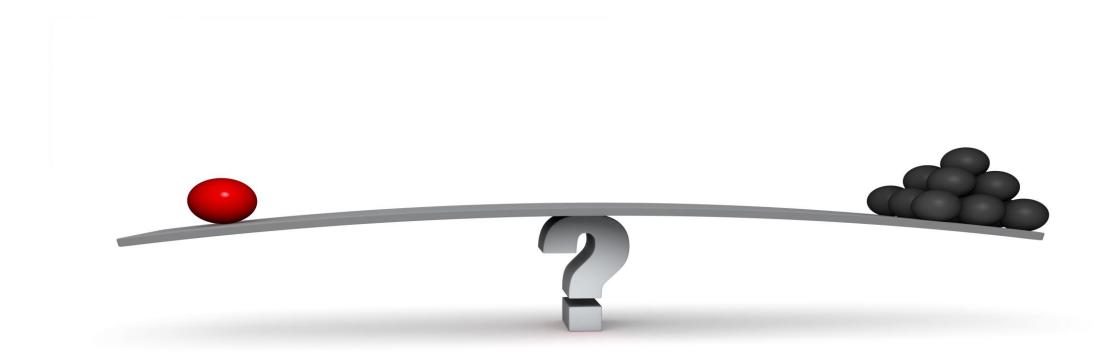
2. Your Capacity



3. Your Marketing



4. Your Scalability



Summary: Your Income Potential

- What is your rate?
- How much do you want work?
- How effective is your marketing?
- How scalable are your business offerings?

Three Financial Traps

Trap 1: Thinking All Time is Billable



- My market rate is \$100 per hour
- 40 hours a week = \$4,000
- 50 weeks a year = \$200,000
- I'm rich!!!

Trap 2: Not Managing Cash Flow

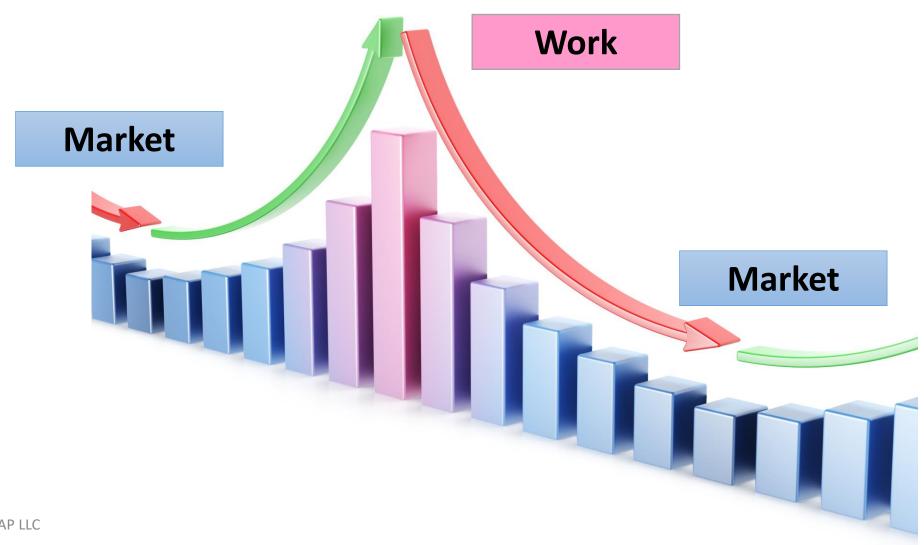


There can be a long time between:

- Finding the work
- Securing the contract
- Delivering the work
- Invoicing the work
- Getting paid

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Trap 3: Not Managing the Sell/Do Cycle



Remember...

- This is a high margin/low overhead business
 - But you still need to manage expenses
- It is a business
 - You will need to spend time "on the business" as well as "in the business"
- Your income can grow as you amass:
 - Skills
 - Experience
 - Client testimonials
 - Certifications & endorsements

Resources

Resources for ATD Members & Friends

- Head to leaprightnow.biz/atd to:
 - Download a free excerpt from Owning It by Kris Taylor
 - Download the Business 101 for Consultant Checklist
 - Learn more about the Launch Series:
 Live & OnDemand and claim a special
 ATD discount

Thank You

• We hope your career brings you satisfaction, meaning, positive challenges – and that it fits nicely into your larger life!

