

My 12 Hot Tips on How to Run a Successful IT Consultancy

Shôn Ellerton, July 16, 2024

IT Consultancies are having it tough these days, but here are my 12 top tips to make them better.



Are you running an IT consulting business?

If so, grab a coffee, and read through my top ten recommendations on what you should and should not do.

Before I start, allow me to describe the model of the type of IT consultancy to which the below recommendations are suited for.

The business hires IT professionals as fulltime consultants, ranging from a wide variety of skills including, for example, project management, data modelling, business analysis and cyber security. Business development and sales account personnel are also hired to seek prospective work from existing and new clients.

There may be an overall consultant manager and other more senior layers comprising of senior and principal consultants. However, the size of the business may or may not justify these positions.

A consultant with the right set of skills is then called upon by the business to fulfil the work secured by the business development leads. That consultant may be embedded within the client's workspace as a resource, much like a traditional contractor or work to deliver an outcome-based project. The former tends to be more common.

The remaining 'unengaged' consultants are those who sit on the bench spending their time by networking, learning new soft and technical skills, and assist the

business development leads and other engaged consultants if required. A medium to large size consultancy will have a healthy percentage of consultants on the bench who may be called up at short notice to engage with a new piece of work.

Let's begin!

1. Leverage the use of your insiders

One of the most common reasons how new opportunities are lost with an *existing* client is when your consultants that are already embedded with the client are not engaged or consulted with.

Let's take an example.

If I was to shop at a men's clothing store looking for a new suit tailored to my needs, I would have to take my time to explain to the salesperson what I want. If that salesperson then disappears and another one comes around and starts asking the same questions again, I'm not going to be particularly impressed with the service. To me, this shows a lack of corroboration and communication in the business and suggests that I might be better going to a better run store.

First impressions count.

This situation applies to all business models including that of an IT consultancy.

For example, let's say that I am the owner of a grocery chain and that I take on the services of an IT consultancy to upgrade my automated delivery service. I then agree to take on the services of one data modeller for a 12-month contract to help migrate some data from one platform to another. During these months, the consultant has, not only gained an important insight on how the business works but has forged connections and friendships within the grocery chain business.

Now let's say that I, as the grocery chain IT director, am happy with what has been happening and then put out an offer for the IT consultancy to work on another IT-related project within the grocery chain business. I would assume that those preparing their sales pitches to secure the new work would consult very closely with the already embedded data modeller. By doing so, they would know *who* to approach, *what* to present, *how* the business works, and most importantly, that they are demonstrating that the consultancy works *cohesively*.

2. Give your consultants the power and reach of your brand

Most IT consultancies are aware of the power of marketing and brand. Colours, typography, document templates, and logo designs are carefully designed or chosen.

However, there are some surprising, missed opportunities that are necessary to promote the business that are so often overlooked.

The consultant! The consultant is a literal walking billboard.

If the name of that IT consultancy is hardly known within its own industry, it will struggle to survive. For example, going back to the world of grocery chains, if a newcomer vies to compete with heavyweights like Woolworths, Aldi, or Coles, and very few know the name of the newcomer, that business will fail unless it has some advantage the others do not have.

Providing merchandise in the form of clothing, rucksacks, umbrellas, drink bottles, and stationery imprinted with the business's brand and logo is an effective way to show off the brand. However, it must also be stressed that the quality and appearance of the product must be good enough for the employee to use it. All too often, I have seen too many cheap and nasty products which either deteriorates in no time flat or so bad and cruddy in design, that no one wants to use it.

And most importantly, it never fails to surprise me and fills me with utter perplexity when IT consultancies refuse to grant their consultants with business cards. Business cards are an extremely economical way to spread the name of a business around. Some businesses opine that the use of business cards is an antiquated method, however they are *the* most efficient way of spreading your name and brand around, especially in networking circles. Any IT consultancy not promoting business cards should attend any local or regional business networking function to gain an understanding how important this method of communication is.

I've written an entire piece on business cards titled, [*Why All Professional Need Business Cards*](#).

3. Focus on output, not on technologies

I once worked as a hi-fi salesman in a shop which catered to mid to high-end spenders in audio stereo equipment. Our shop in East London was hardly visible

from the street nor were we situated anywhere near the high streets. The business thrived on quality of service and hearsay. However, we regularly came across new potential customers that browsed high street electronics shops selling the usual gambit of all-in-one midi systems, plastic-like turntables, glitzy amps with lots of flashing lights, and, of course, big boxy but cheap and nasty loudspeakers.

This was the early 90s.

No doubt, we'd be asked the usual slew of questions.

“How many Watts is it?”

“Can I have something with Class AA technology?” (Incidentally, this was a clever made-up label by Technics to fool the buyer that this was better than Class A technology, which is one of the known [types of classes for amplifiers](#).)

“What's the frequency range?”

and

“Is it multibit or bitstream?” (in reference to the CD players at the time)

Such questions were asked by many not for being at fault but rather of not being advised properly.

Our approach was to educate the customer that it is not simply specifications that dictate if a system sounds good or not. The simple and lazy approach would be to simply pick out the unit based on the specifications for the customer. Instead, our challenge was to put together a system which gave the best bang for its buck based on its enjoyability. Our customers nearly always returned to us for future upgrades.

The same approach applies to the world of IT consulting.

If a prospective client came to me declaring that what they want is a Snowflake solution for their data requirements, the first course of action I would take is to understand what their *overall* requirements are.

What's the solution they're after?

Why are they specifically asking for Snowflake if they are not currently using it? After all, as of writing, Snowflake is a bit trendy, much like when AirBNB

became the bee's knees until other similar online platforms came into being to compete with them.

By stepping back and looking holistically into the problem, it may be conceivable that a completely different technology might be more appropriate.

4. Adapt to flexible working conditions

Consultants are at the whim of the client's conditions when it comes to deciding on working arrangements.

However, for those consultants who are on the bench, IT consultancies should strike a balance of flexible working arrangements whether that entails working outside of peak hours or working from home.

During the pandemic, businesses were encouraged to adopt more working from home practices, however, some IT consultancies, fearing that too many employees have been taking advantage by not working effectively at home have muscled in new, and often strange, rules to make it mandatory for all to come in person to the office. For example, to dictate that only one particular day of the week be chosen as an optional working from home day.

This is clearly understandable from the business's point of view, but the reinstatement of the fulltime bums-on-seats model tends to fall apart when the business discovers that employees are looking elsewhere for opportunities in which flexibility is embraced or when those in senior positions fall foul of their own rules leading to double standards.

The key recommendation is to apply common sense and adopt a healthy balance of flexible working arrangements versus those occasions in which employees would benefit to be all present in the office.

I've written a more extensive piece on this point titled, [*Flexible Working Needed More Than Ever to Save Our Cities and Dying Country Towns.*](#)

5. Be fair when it comes to remuneration and expenses

Oh, what a dirty topic. Money!

But we do need to discuss this because if your consultants are not remunerated appropriately, they will, most likely find alternative employers. Once that notice is handed in, it is usually too late. Re-negotiations are seldom successful on the

basis that the level of trust and recognition between the employee and those managing that employee has already been eroded.

Naturally, if the business is struggling to make ends meet, it may be difficult to give out higher salaries, but raises in salaries should, in general, at least meet the requirements of inflation rise.

As for expenses, most IT consultancies will re-imbursement their employees accordingly, but where they often fall short is when travel expenses for the consultant to work at a client's premises is applied.

Rather than flat out adhering to government state guidelines on travel expense policies, use common sense and fairness.

I'll give you an example.

I worked for a consultancy in the heart of the city by taking the train, a distance of around 20 kilometres or thereabouts. I was then asked to work at a client's office on a fulltime basis, a distance of around 20 kilometres *by car*. However, I was unable to claim for 20 kilometres because the client's premises are based only 5 kilometres from the address of the consultancy in the city. I was only allowed to claim 5 kilometres. And I would certainly not be inconvenienced by taking the train into the city and then walk into the city to catch a bus that will take me the remaining 5 kilometres.

The policy dictated that I could only claim the distance from the office to the client.

However, if I took the hypothetical position that the client was based 20 kilometres from my house in the other direction, this would make the distance from the office to the client a grand total of 40 kilometres. A nice little earner of course, but totally illogical.

Engaged consultants embedded in the premises of their clients will seldom visit the home office beforehand and then make tracks to the client's office from there.

The answer is simple.

Discuss a practical travel expenses policy that will work for the consultant rather than strictly adhere to an unyielding one-for-all policy. If it is money that is of concern, the easy solution is to price it in with the contract.

6. Promote from within rather than from the outside

Sadly, one of the hallmarks of western corporate society is the propensity to seek resources externally rather than look internally. What this does is stymie promotion prospects, which, in turn, contributes to increased numbers of employees seeking alternative employment.

There are some IT consultancies that strictly promote from within, and, from what I gather, they tend to outperform in terms of technical prowess than those that do not. Moreover, they tend to be leaner on price points, possibly due to lower administrative and salary-based overheads.

However, an organisation will be required to seek externally if there are a set of skills which the organisation does not possess, or if the organisation requires an increase in headcount.

In a previous piece I've written, [*How Joe Escaped From his Niche to Being Promoted*](#), I discuss the importance of promoting *within* the organisation.

In essence, I condemn the practice of advertising externally to fill in a senior role *before* the organisation researches the possibility of promoting an existing employee to fill in that spot.

7. Don't go all woolly when presenting to a prospective client

Presentations fraught with gaudy diagrams, complex frameworks, and difficult-to-understand nomenclature are typical banes to be avoided. Worse is the embarrassment of using material from an existing template which does not apply to the client's brief. The infamous 'cut-and-paste' technique.

Your IT consultancy may be highly protective of a specific style of methodology, but remember, it is what the client wants rather than what the consultancy wants. The approach here, to take, is to be flexible.

It is also well worth remembering that your presentation may be one of many which the client needs to sit through and assess. Running extensively over several slides detailing the merits of specific methodologies and frameworks may not be what the prospective client may want to hear.

They may want a direct, short, and succinct presentation running through some real use cases. Or, they may want to be presented in another specific way.

In any case, I advise to go back to Point Number 1.

Get as much information from your insiders first!

8. Your consultants are more than assets

I've heard them all before.

IT consultancies have been referred to as body shops, glorified employment agents, and, I kid you not, even meat markets. With consultants been dubbed as assets, resources, and, alarmingly, corporate prostitutes, it is no wonder that employee respect can get thrown out of the window.

The skills in IT consultancy are very diverse and, often, it is difficult to fathom out which consultant to use to fill a particular role. Most IT consultancies will compile all the skills of the business together in some sort of database or spreadsheet and when a brief is sent by the client, the business development lead or account director will assign a consultant.

Rather than take this approach, a more professional and corroborative approach is to make *all* the briefs available for the consultants to peruse. Rather than simply being an assigned asset, a consultant could take the opportunity to scan over the briefs themselves. The consultant may have missed out a skill in the organisation's repository but may find something they can contribute to in the brief.

Assets are worked in a one-way fashion being told what to do, whereas consultants have the ability to assist in a two-way corroborative way.

9. Provide the right tools for the job

The best IT consultancies will provide their technical staff with the right tools for the job.

Unfortunately, I have come across decidedly frustrated developers and managed services agents which cannot do their job efficiently because they are given substandard laptops and worse, laptops with curtailed rights. For example, the simple act of plugging in a USB pen may not be possible with an overly locked down machine.

Have some trust and faith with those developers and agents which need flexibility to install the necessary software and being able to perform local admin tasks.

Some IT consultancies have skirted around this problem by installing virtual machines, but they often add unnecessary complexity to an otherwise simple problem. I've seen IT admin staff fiddle for days to install and configure an instance of a Hyper V virtual machine on a laptop.

Remember the adage, "Security versus Utility". If you need increased utility, an increased awareness of security is required.

The solution here is to set up a good system of permission groups within the corporate system. For example, developers will need more relaxed rights on their laptops than those users simply driving spreadsheets. Trying to enact a one-size-fits-all policy is not only restrictive, but hinders productivity.

10. Encourage training and certification

A good IT consultancy will encourage their consultants not engaged with clients to bring themselves up to speed in some technology or to obtain a certification that may be useful for the organisation.

Ensure that your IT consultancy has an e-learning platform in place and encourage all to use it. But bear in mind, that there is a wide universe of YouTube videos with technical training of, sometimes, better quality and relevance. There are also e-books and, even in today's age, actual books.

Encourage all to share what they learn by presenting to others.

Training does not necessary mean restricting to technical material but also on how to improve on soft skills. For example, how to speak in public, how to engage in a client interview, and how to prepare for a presentation.

There are some certifications, including defence clearances, which may, at first seem costly, but they often prove to be a valuable commodity and investment for the business.

11. Focus less on utilisation and more on the consultancy as a whole

Medium to large IT consultancies tend to have a tier-based system of consultants, senior consultants, principal consultants, and so on.

Each tier in the organisation has a functional purpose. A principal consultant may be responsible for overseeing a specific facet of IT whether it is data modelling, business analysis, testing, or cybersecurity. Just to take a few examples.

Principal consultants are worth their weight in gold because they can focus on a smaller group of professionals in the organisation in terms of development, training, and being able to corroborate with the business development teams.

However, I have seen too many principal consultants give up the ghost and quitting an organisation on grounds of being overworked trying to achieve the minimum billable hours all while trying to maintain the health of the team internally.

12. Have fun and throw a party!

And finally.

IT consultancy can be a lonely place for many, especially those who work solo within the client.

Have regular get-togethers.

Splurge a little.

Get the wine and cheese in!