

2020 EDITION

How Top-Performing Independent Consultants Manage Their Practices

LEARN KEY INSIGHTS FROM SOLOISTS EARNING OVER \$100K IN REVENUE

Table of Contents

	Introduction
01.	How long they've been in business
02.	What they struggle with
03.	How COVID-19 is impacting them
04.	How they promote themselves
05.	How they drive revenue
06.	How they use technology
07.	What affects their hourly rates and annual revenue
08.	Summary
	Appendix



Introduction

As the professional gig economy continues to soar, independent consultants (ICs) are constantly searching for new and innovative ways to build their practice. In our 2019 study, we set out to learn the common characteristics and practices of successful independent consultants. This year, our intent was to build on this knowledge, while gaining additional insights into how successful independent consultants are running their practice in the midst of a global pandemic. Our latest survey gives us a look at the current state of the industry and checks in on some key trends uncovered in 2019.

In this new research, we engaged over 150 top performing consultants with a 30-question survey during the summer of 2020. Our respondents hailed from 29 U.S. states, four Canadian provinces and five countries.

The responses to our survey pointed to a series of new factors affecting ICs and their businesses, most notably the COVID-19 pandemic. COVID-19 has 60%

of ICs forecasting lower revenue in 2020, largely due to expectations that clients' budgets will shrink. That being said, only 22% plan to lower prices, and 50% of respondents feel their business will be positively impacted in the future. Independents consultants are optimistic about the need for their flexible services in a post-pandemic world.

In addition to the challenges brought on by the pandemic, 2020's survey data showed many major trends from 2019 carrying forward. In this report, we will showcase IC's current views on new business development, lead generation, how they promote their practices, the technology they use, pricing and rates, and much more.

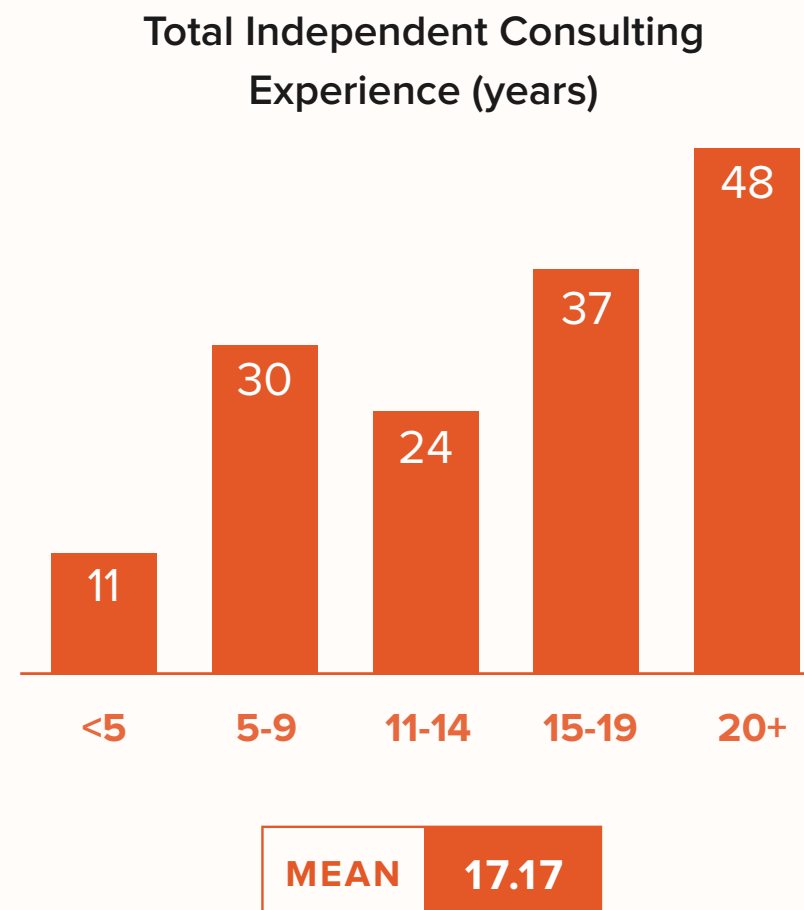
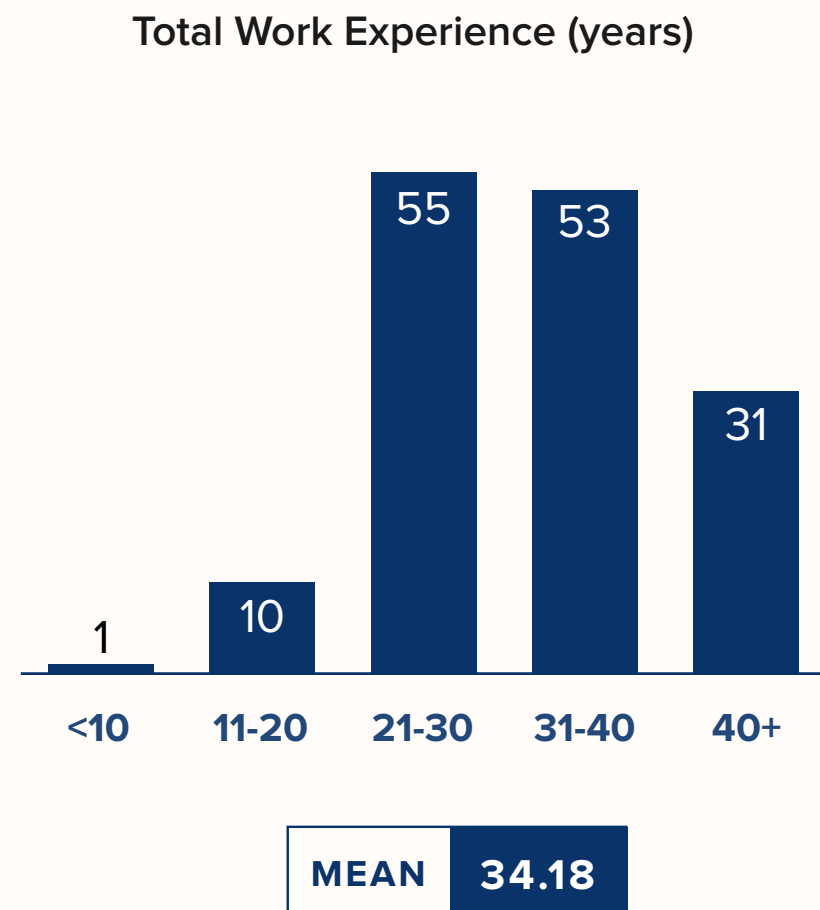
Read on for further insights shared by top performing independent consultants in 2020.



01.

How long they've been in business

The average number of years of total work experience across all respondents was 34, with the average years of consulting experiencing being 17.



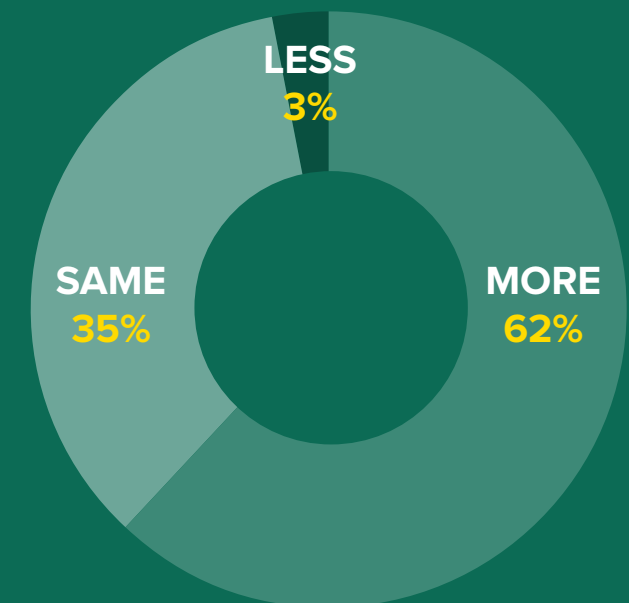
02.

What they struggle with



84%
of respondents identified
business development as one
of their top three pain points.
54% said "lumpy" revenue is in their top three.

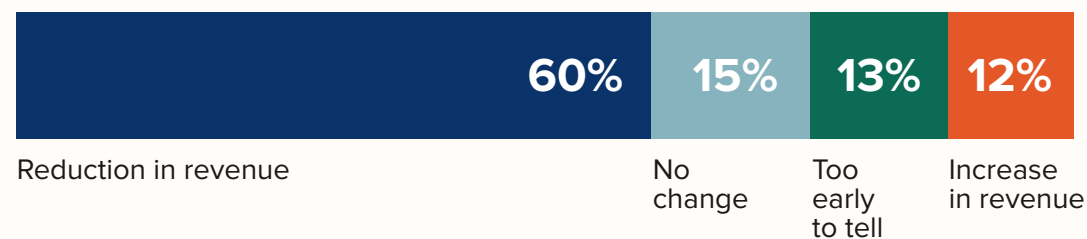
When asked, most respondents feel the independent consulting industry is getting more competitive.



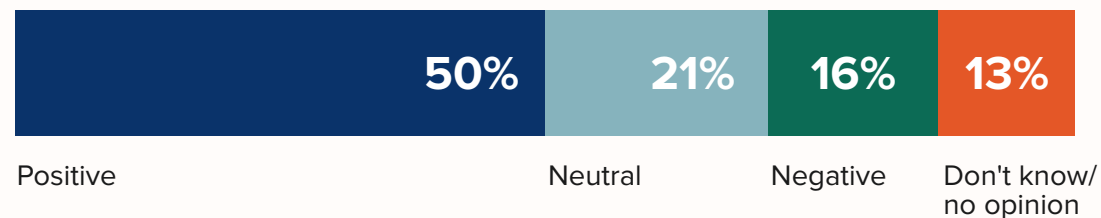
How COVID-19 is impacting them

While 60% of consultants feel they will see a reduction in 2020 revenue due to COVID-19, 50% feel their business will be positively impacted by it, and 78% do not plan to lower their prices.

2020 revenue expectations



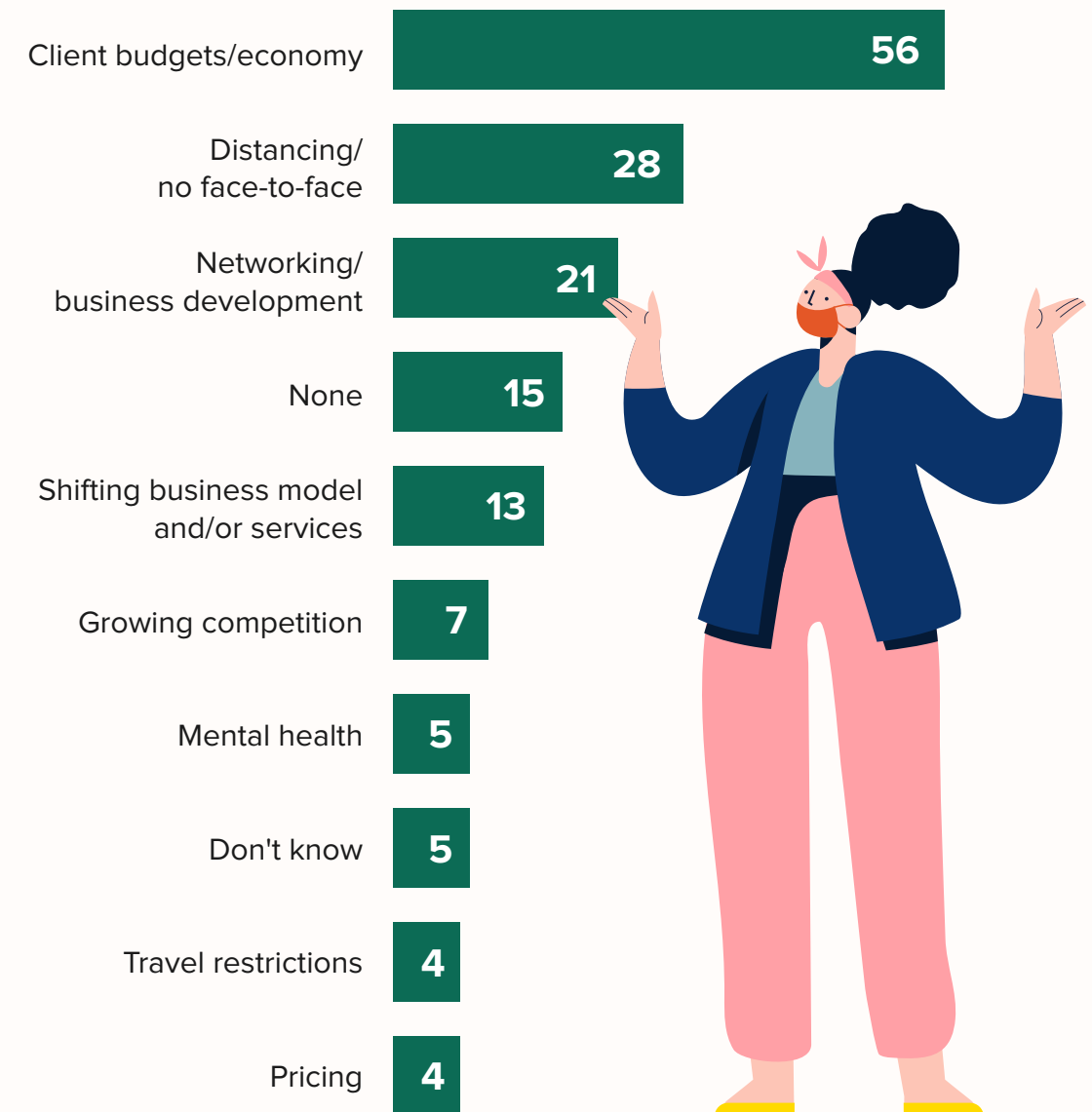
Outlook for future volume of independent consulting work



Plans for lowering prices in 2020

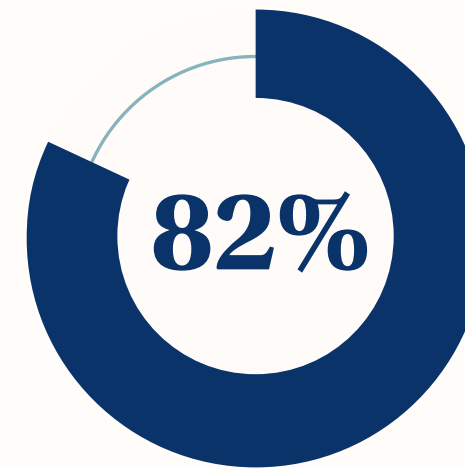
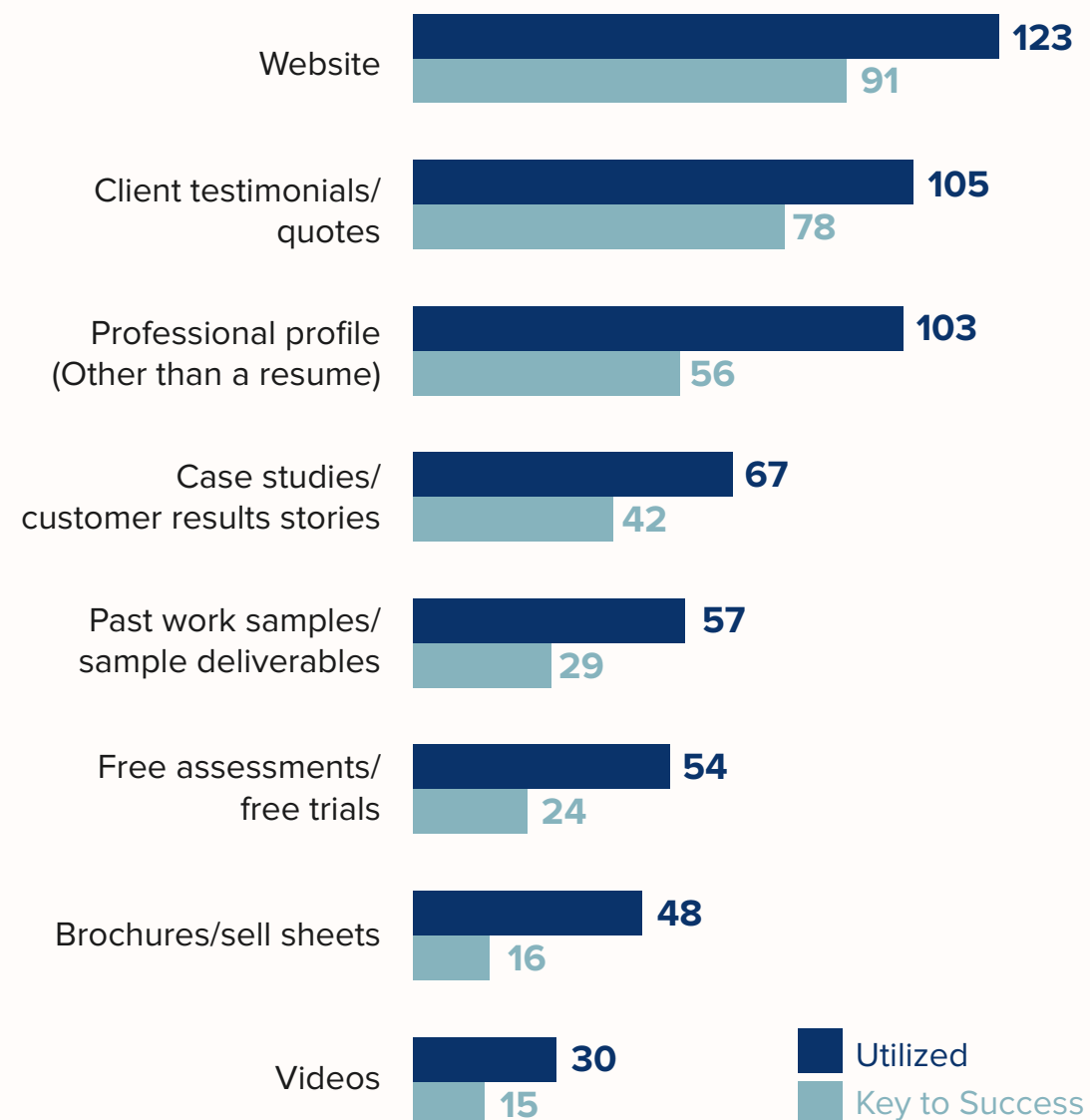


The most frequent COVID-19 challenge consultants expect to face is declining client budgets for consultants.

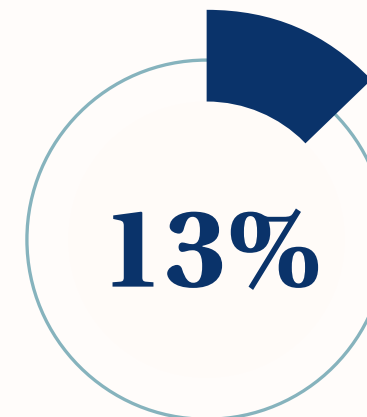


How they promote themselves

Most consultants feel that their website and client testimonials/quotes are the most important marketing materials that help their businesses succeed.



of consultants have a website promoting their service offerings.



Of those, only 13% get a meaningful volume of inquiries coming in from their website.



INSIGHT: Consultants may be missing an opportunity to grow their business by driving traffic to their website.

How they drive revenue

Activities Performed to Drive Leads (Choose Top 3)



Most consultants use networking to drive leads; the most common digital marketing tactic used is posting content to social media.

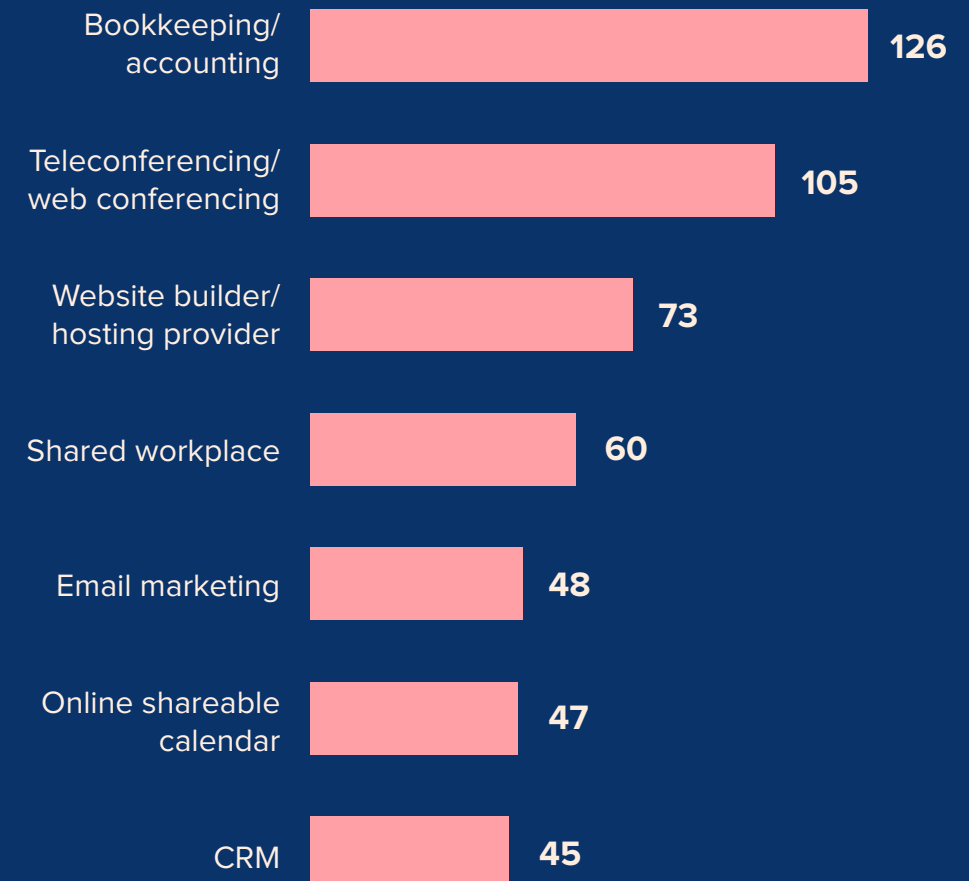


How they use technology

The most common software applications used by respondents were Zoom, QuickBooks and Teams.



Most common software application categories

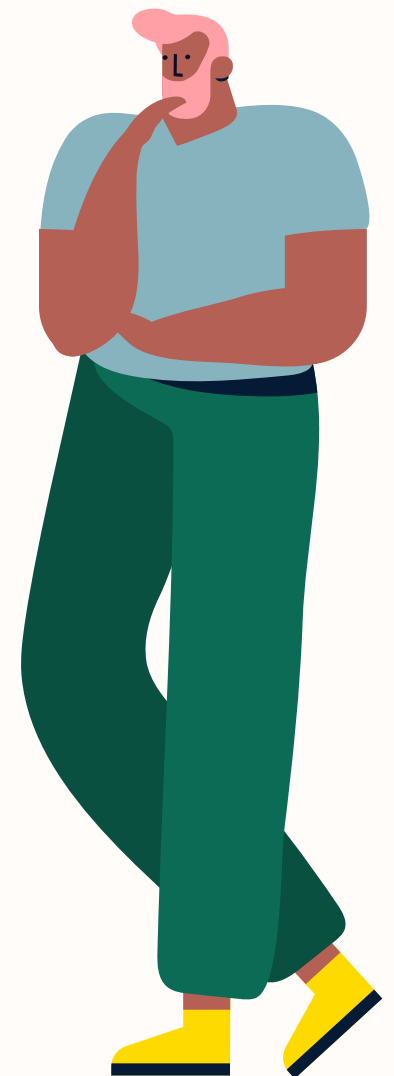
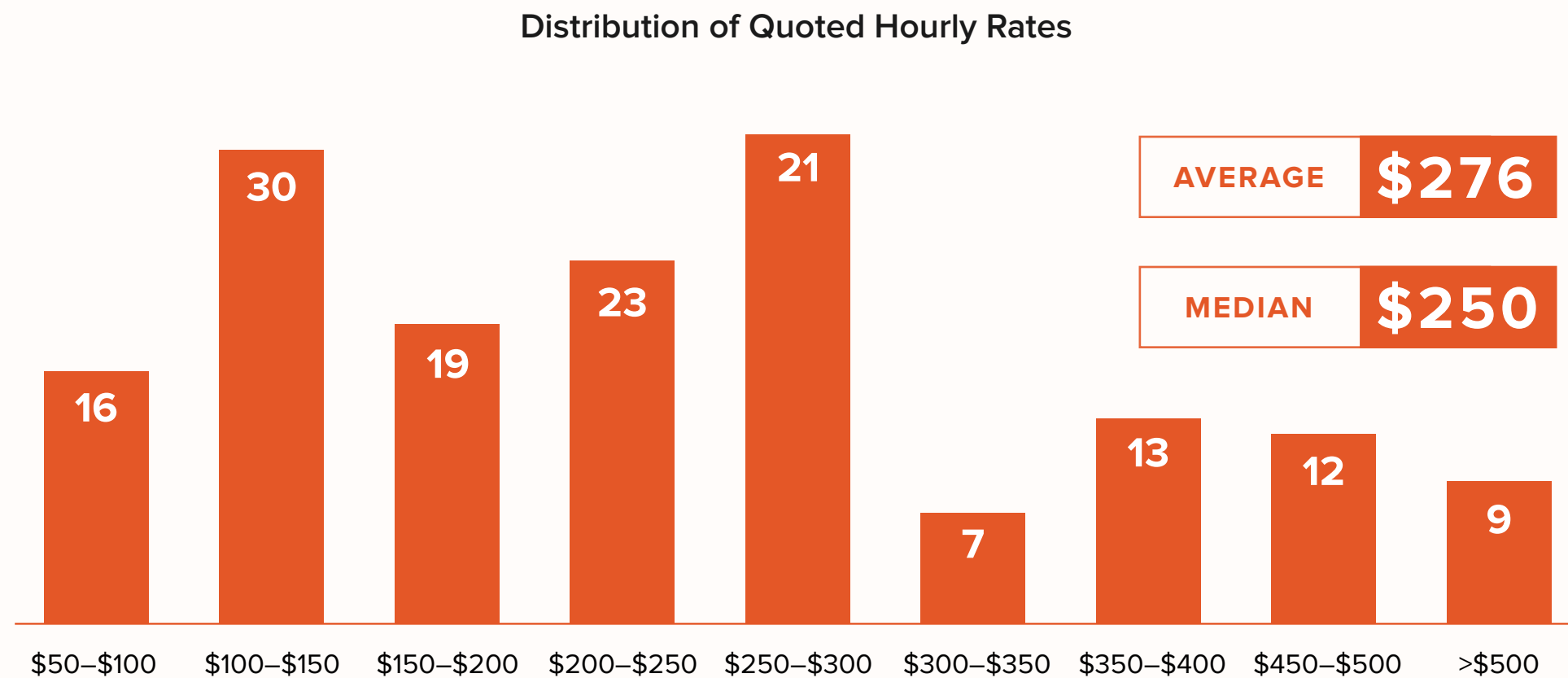


INSIGHT: Consultants may be missing an opportunity to grow their business by not using email marketing and CRM.

07.

What affects their hourly rates and annual revenue

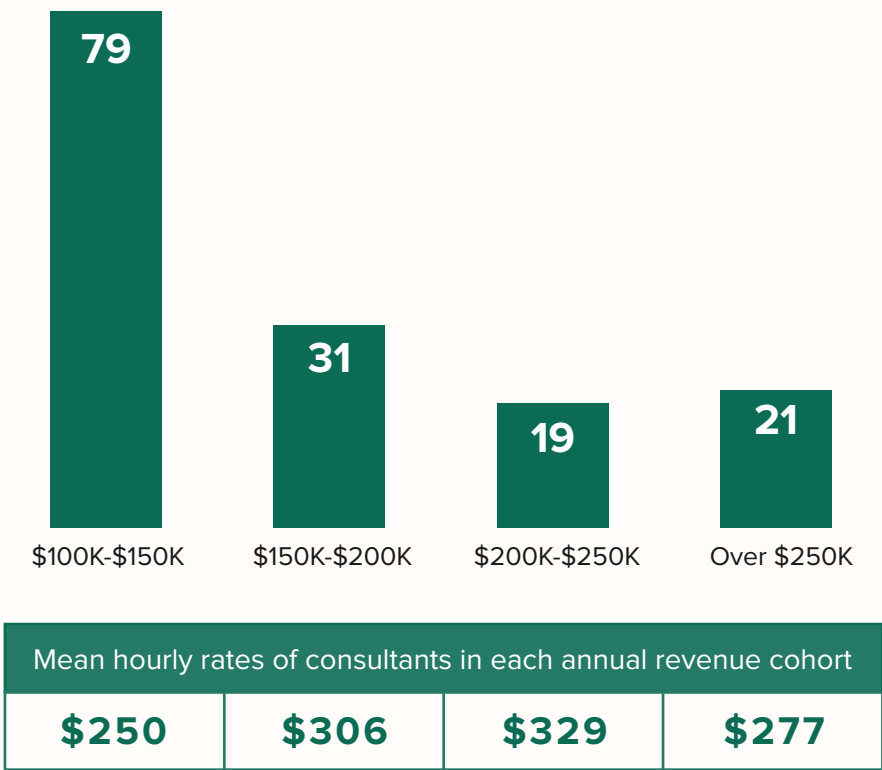
The results showed a wide range of hourly rates among top-performing consultants.



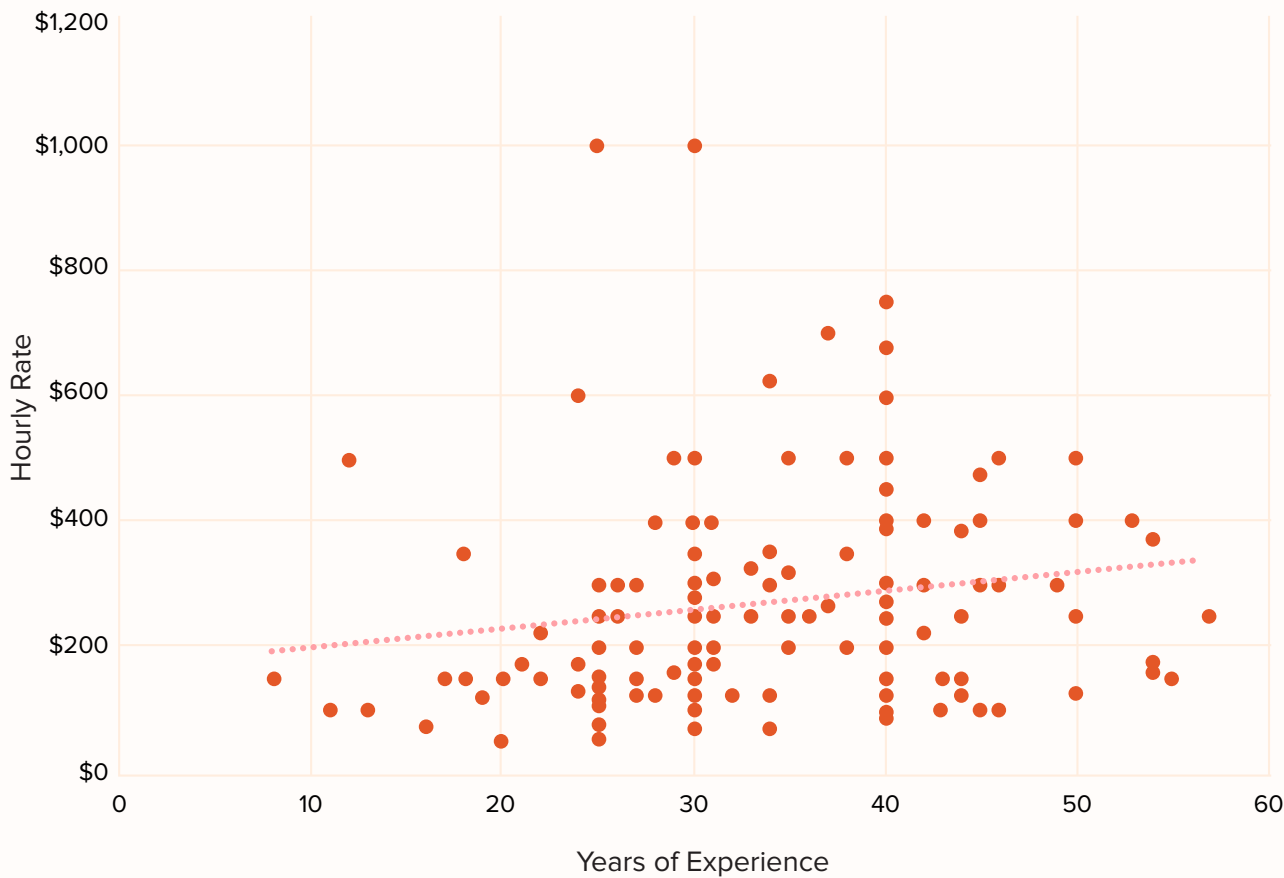
Most respondents said they make \$100,000–\$150,000 annually.

Interestingly, the cohort of consultants who make over \$250,000 annually have a lower average hourly rate than two other cohorts.

Annual Revenue Distribution



There is very little correlation between a consultant’s years of experience and the rate they quote.



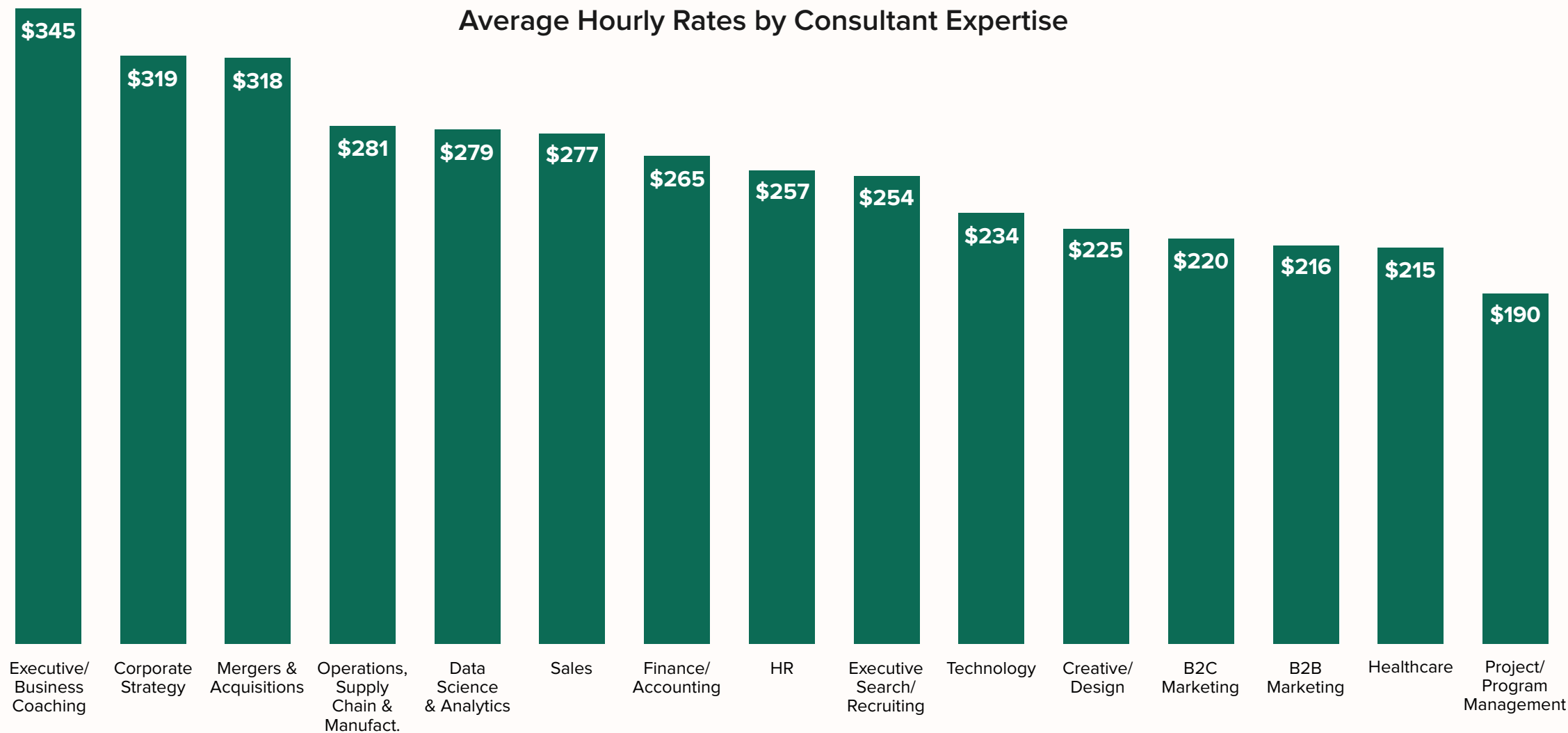
07. EXPERTISE VS. RATES



Consultants with expertise in **Executive/ Business Coaching, Corporate Strategy** and **Mergers & Acquisitions** have the highest hourly rates.



Consultants with expertise in **B2B Marketing, Healthcare** and **Project/ Program Management** have the lowest rates.



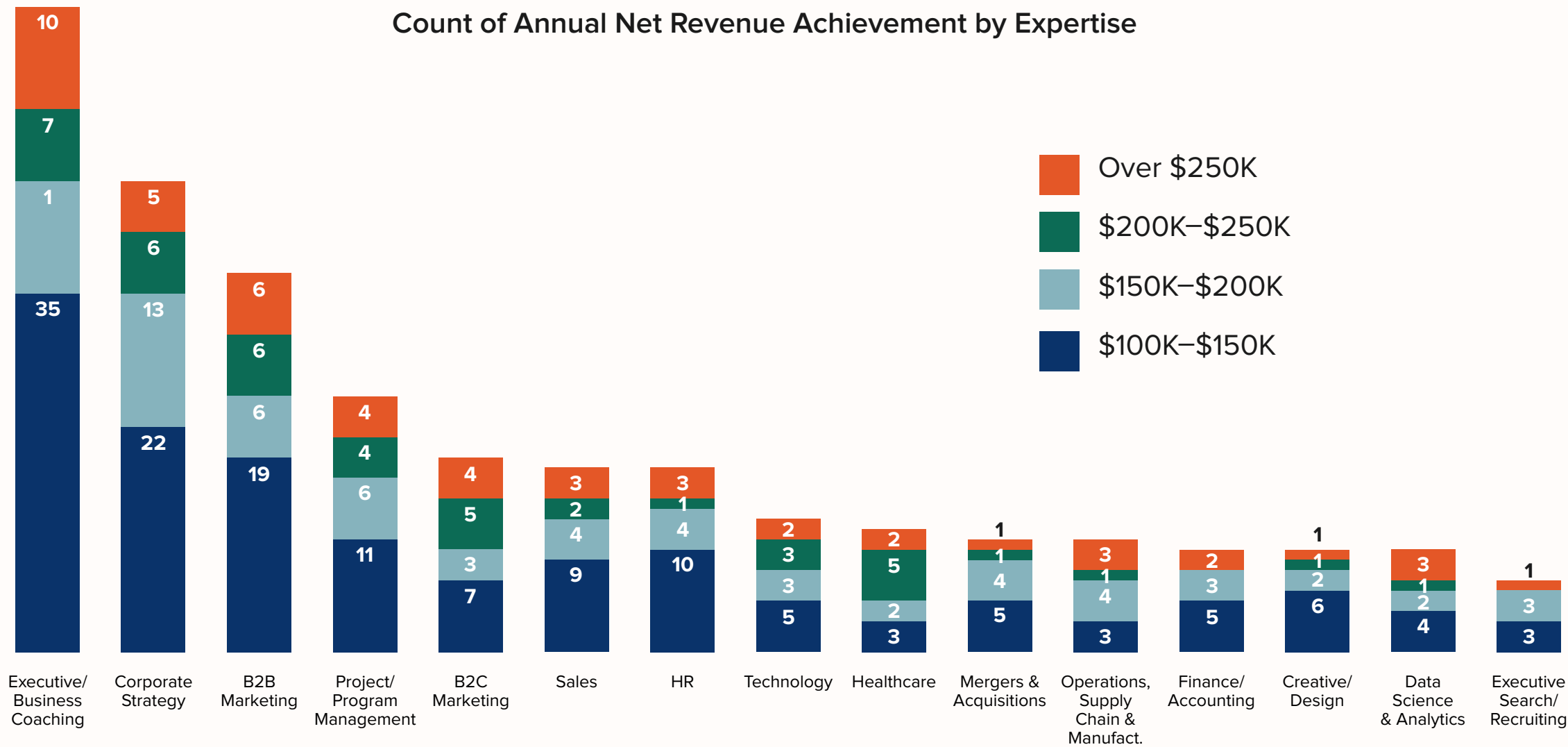
07. EXPERTISE VS. ANNUAL REVENUE



The cohort of consultants offering **Executive/Business Coaching** had the largest number of +\$250,000 annual net revenue achievers.

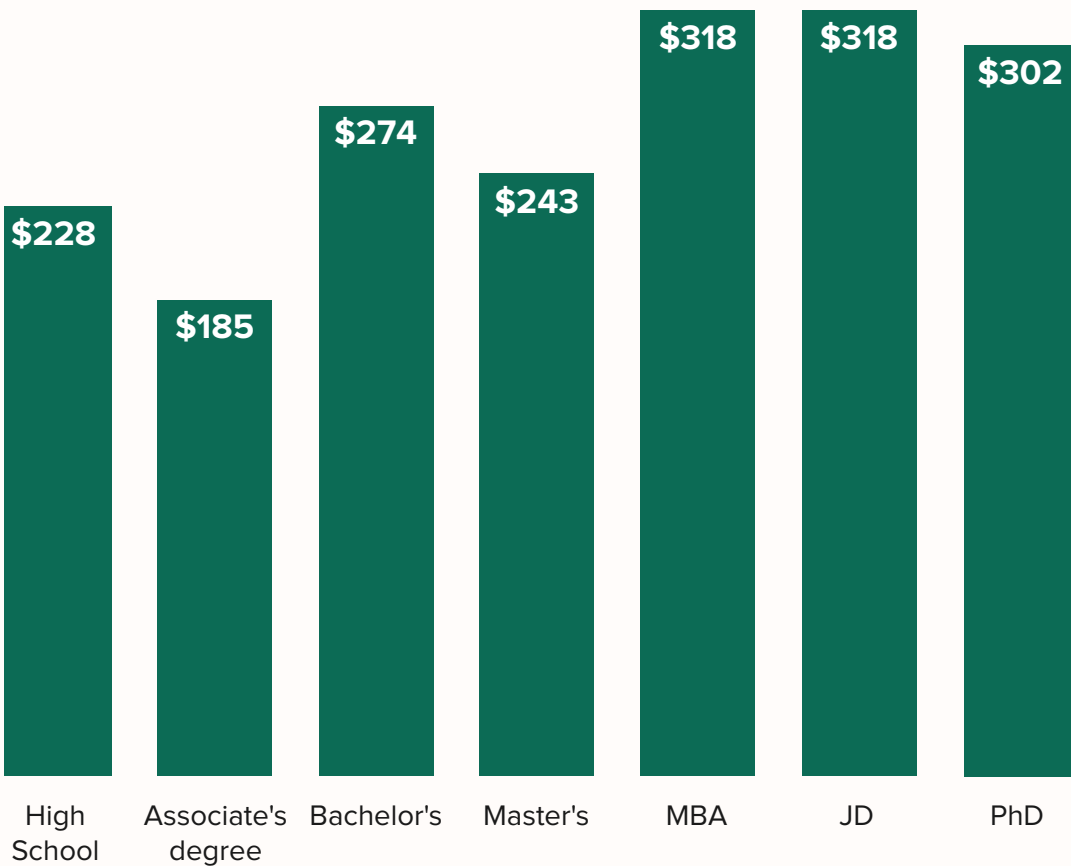


Six out of 10 consultants offering **Creative/Design Consulting** and 10 out of 18 with **HR Expertise** typically achieve \$100,000–\$150,000 in annual net revenue.



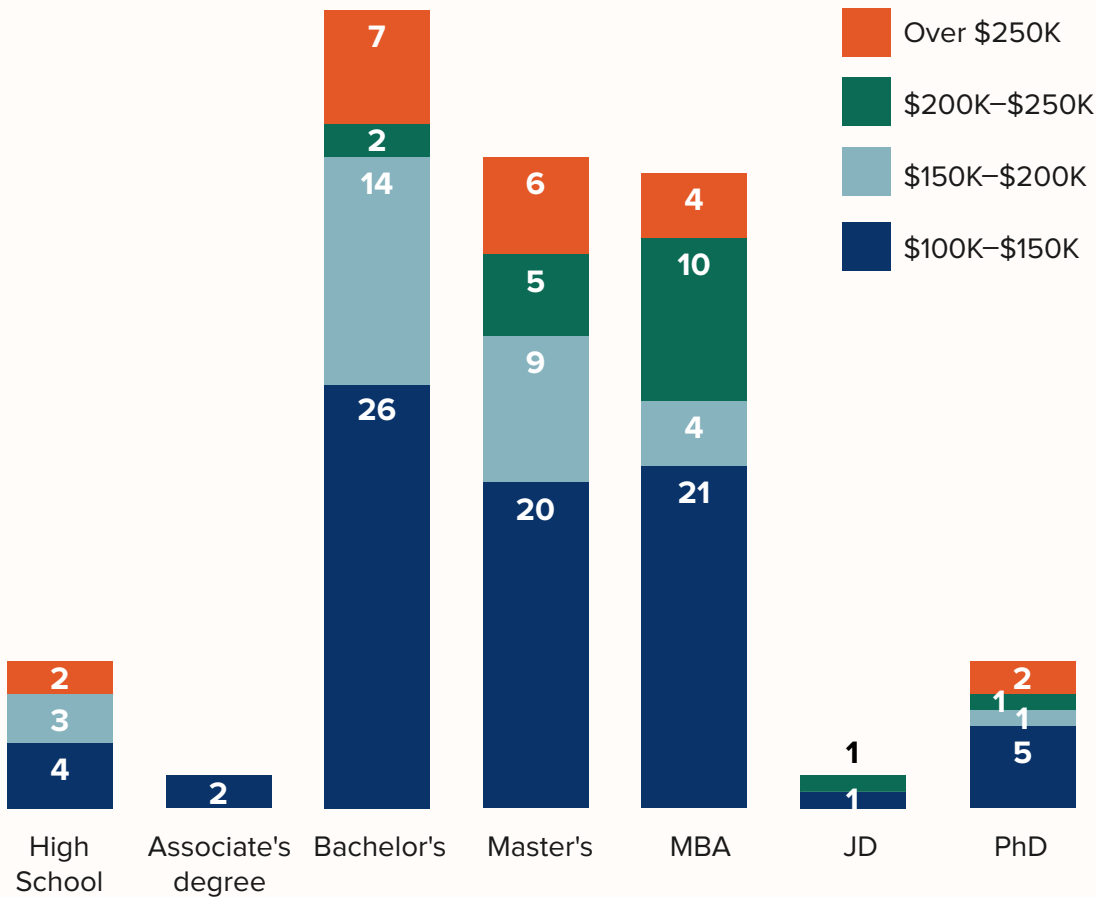
Consultants with MBA or JD degrees had the highest average hourly rates.

Average Hourly Rates by Education Level



The cohort of consultants with master's degrees had the largest number of \$250,000+ annual net revenue achievers.

Count of Annual Net Revenue Achievement by Education Level



07. INDUSTRIES SERVED VS. RATES

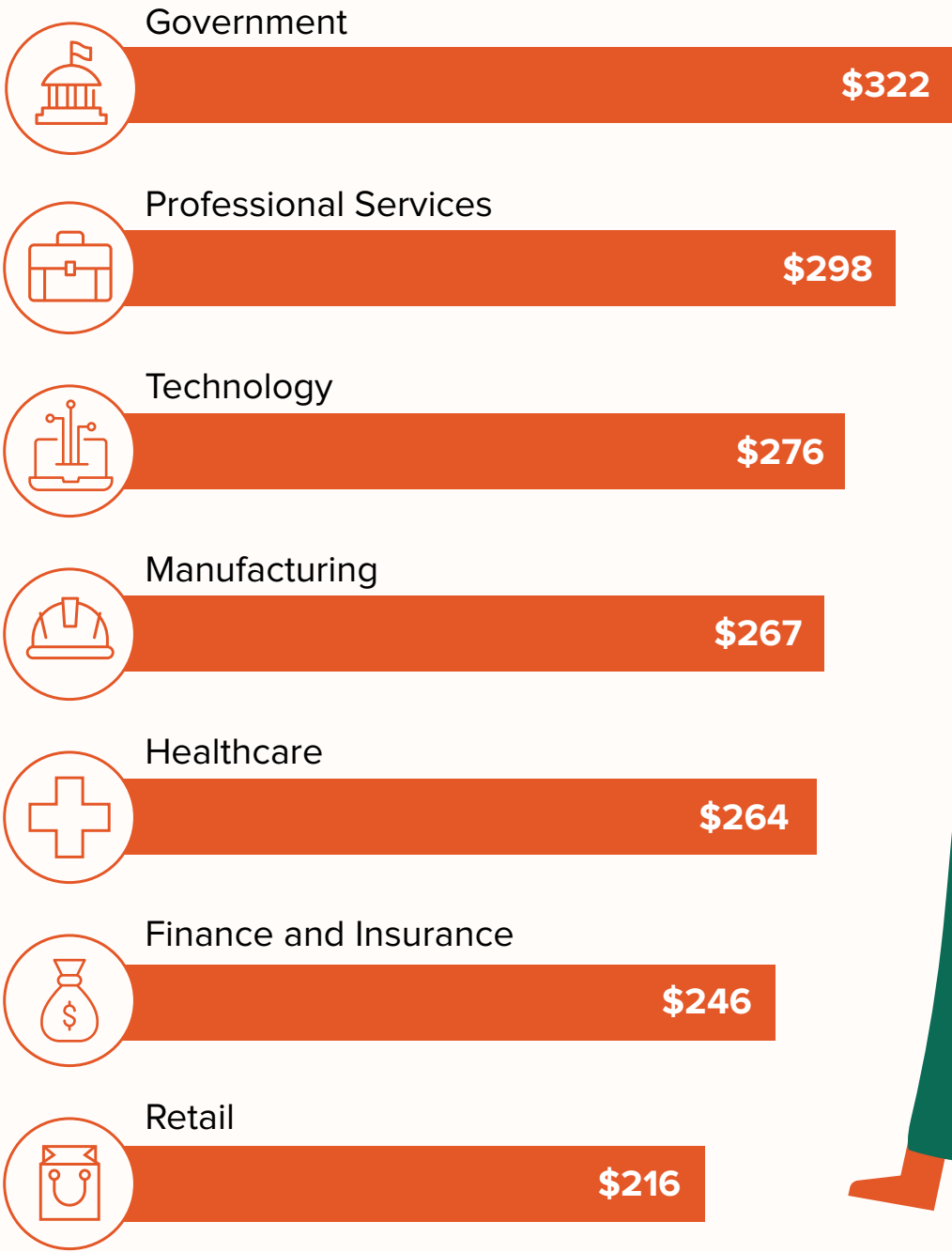


Consultants who serve clients in the **Government** industry had the highest average hourly rates.



Those serving the **Retail** industry had the lowest average hourly rates.

Average Hourly Rates by Primary Client Industries
(with 15+ consultants serving the industry)



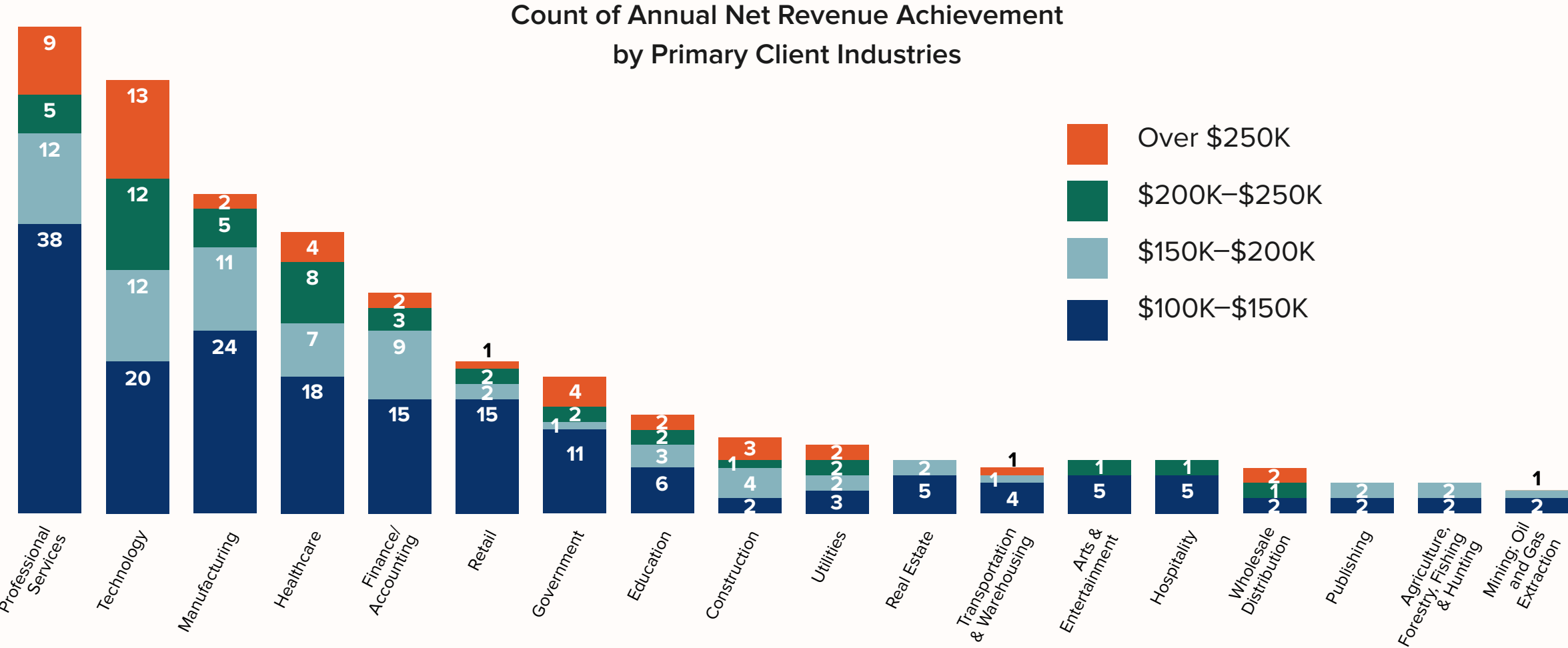
07. INDUSTRIES SERVED VS. ANNUAL REVENUE



The cohort of consultants serving the **Technology** industry had the largest number of +\$250,000 annual net revenue achievers.



Five out of 6 consultants serving the **Arts and Entertainment** and the **Hospitality** industries, and 15 out of 20 serving the **Retail** industry, say they typically achieve \$100,000–\$150,000 in annual net revenue.



07. LEAD GENERATION ACTIVITIES VS. RATES



Consultants who use direct promotions through email have higher average rates.



Consultants subcontracting under other consulting/advisory firms have lower average rates.

Mean hourly rates of consultants performing the activity
(with 15+ consultants performing the activity)

Direct promotions by email	\$343
Performing speaking engagements	\$302
Email newsletters	\$287
Attending industry events/conferences	\$285
Blogging/writing your own thought-leadership content	\$282
Posting articles and being active on LinkedIn/Twitter	\$281
Networking/1-on-1 meetings with potential clients	\$270
Subcontracting under other consulting/advisory firms	\$253



INSIGHT: Consultants should consider performing more speaking engagements or using direct email promotions to raise their profile and grow their business.

Summary

As can be seen throughout this report, the makeup of top-performing independent consultants is quite variable across expertise, clients served, education, years of experience, and the activities performed to drive revenue. While no two consulting businesses are ever exactly alike, this year's survey uncovers a few insights that could apply to any consultant looking to grow in the coming year. Especially given that most consultants feel competition is going up, the following insights may be worth studying and taking to heart.



WEBSITES ARE UNDERUTILIZED

While most consultants have a website and say it is key to their success, few consultants are getting organic leads from the website. There may be an opportunity to pull-away from the pack if a consultant can unlock the value of their website, either through increasing efforts to drive traffic, or providing engaging content that drives prospects to identify themselves.



SHARE EXPERTISE THROUGH SPEAKING ENGAGEMENTS AND WRITTEN CONTENT

Consultants who speak in public and write original content tended to have strong hourly rates (compared to the broader group). Speaking/writing about topics clients care about can likely help potential buyers learn about a consultant's services and begin to build trust. In addition, both can help drive more traffic to a website.



CRM AND EMAIL MARKETING TECHNOLOGIES MAY HAVE UNTAPPED POTENTIAL

Less than 33% of consultants surveyed are using a CRM or an email marketing application, but consultants who do use those technologies appear to have higher hourly rates. Perhaps consultants should invest their time to adopt these technologies (many of which have free versions for small businesses) in the interest of increasing their interactions with prospects, leading to more business.



DEVELOP COACHING SERVICES

This year's survey indicated that executive/business coaching services can command higher rates and lead to higher annual revenue. Perhaps consultants should re-think their services and identify ways to offer their expertise as a coach or trainer, which may not only improve revenue, but also result in more clients and more-repeatable set of services.

This report is brought to you by...



Brendon Schrader
FOUNDER & CEO, ANTENNA

Brendon Schrader is the Founder/CEO of Antenna, a Minneapolis based company that is changing the way people work. Brendon's insights on independent consulting, the gig economy, the changing nature of work have been highlighted in Inc. magazine, Forbes, Fast Company, and the Huffington Post. He holds an MBA from the Carlson School of Management, an MEd from the University of Minnesota's College of Education and Human Development, and a degree in Business Administration from the University of Minnesota Duluth. Brendon has also studied leadership, strategy, and innovation at Northwestern University's Kellogg School of Management.



Chad Eckes
FOUNDER & PRINCIPAL,
CSQUAREDE

Chad founded cSquaredE with the belief that enterprise technology companies often need extra help and an outside perspective on their markets, competitors, and strategies for growing their business. His professional experience spans roles in consulting, product management, marketing, corporate development and finance. Prior to founding cSquaredE, Chad held senior leadership roles within 3M Company and Accenture. Chad holds a BA from Northwestern University and an MBA from the MIT Sloan School of Management.

antenna

Antenna connects companies with marketing experts to adapt and grow their business.

They do this by connecting companies with marketers who deliver what's needed now and leaders who guide you to what's next – giving you the flexibility to adapt your team, make the most of new opportunities and grow your business.

Learn more about Antenna and the ways we connect companies with marketing experts in our community. Visit goAntenna.com.



Founded in 2008, cSquaredE is a boutique management consulting firm focused on helping enterprise technology, software and software-as-a-service (SaaS) businesses with strategy, marketing, business development, and M&A. Having served over 30 clients, via short-and long-term engagements, the firm has consistently helped companies grow by analyzing markets, devising strategies, and executing on well-laid plans. Visit www.csquaredE.com.

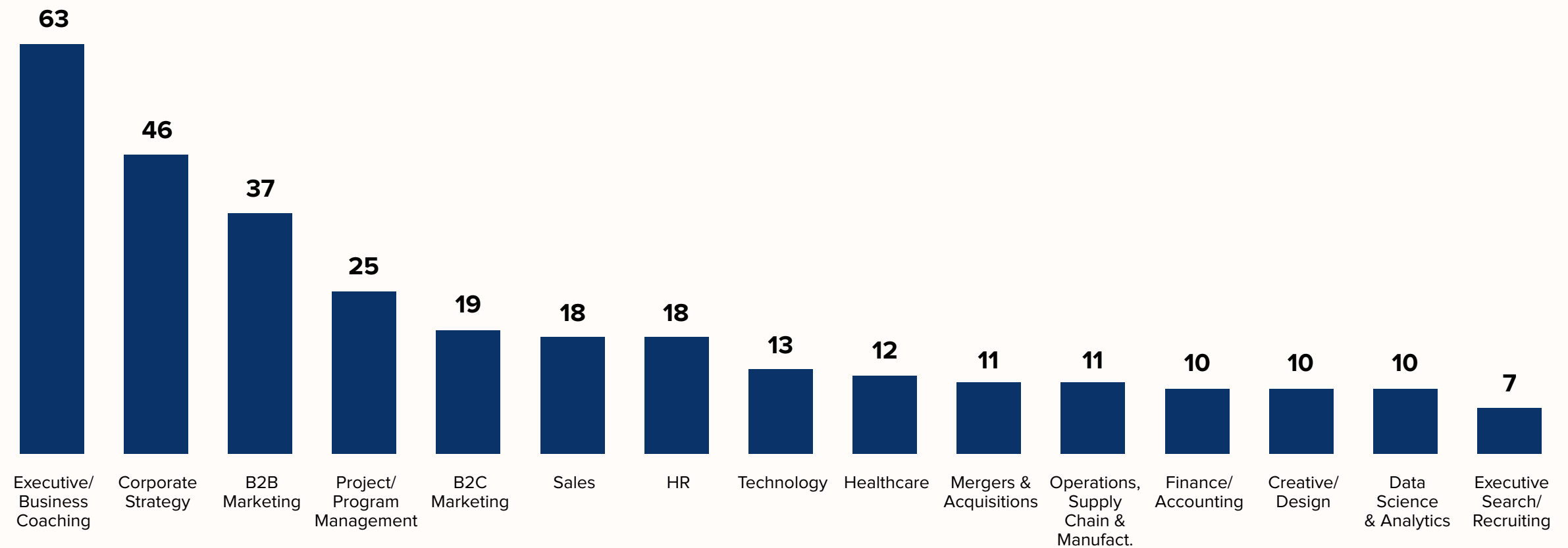


Appendix

The data on the following pages represent other demographics and interesting insights of the consultants who completed the survey.

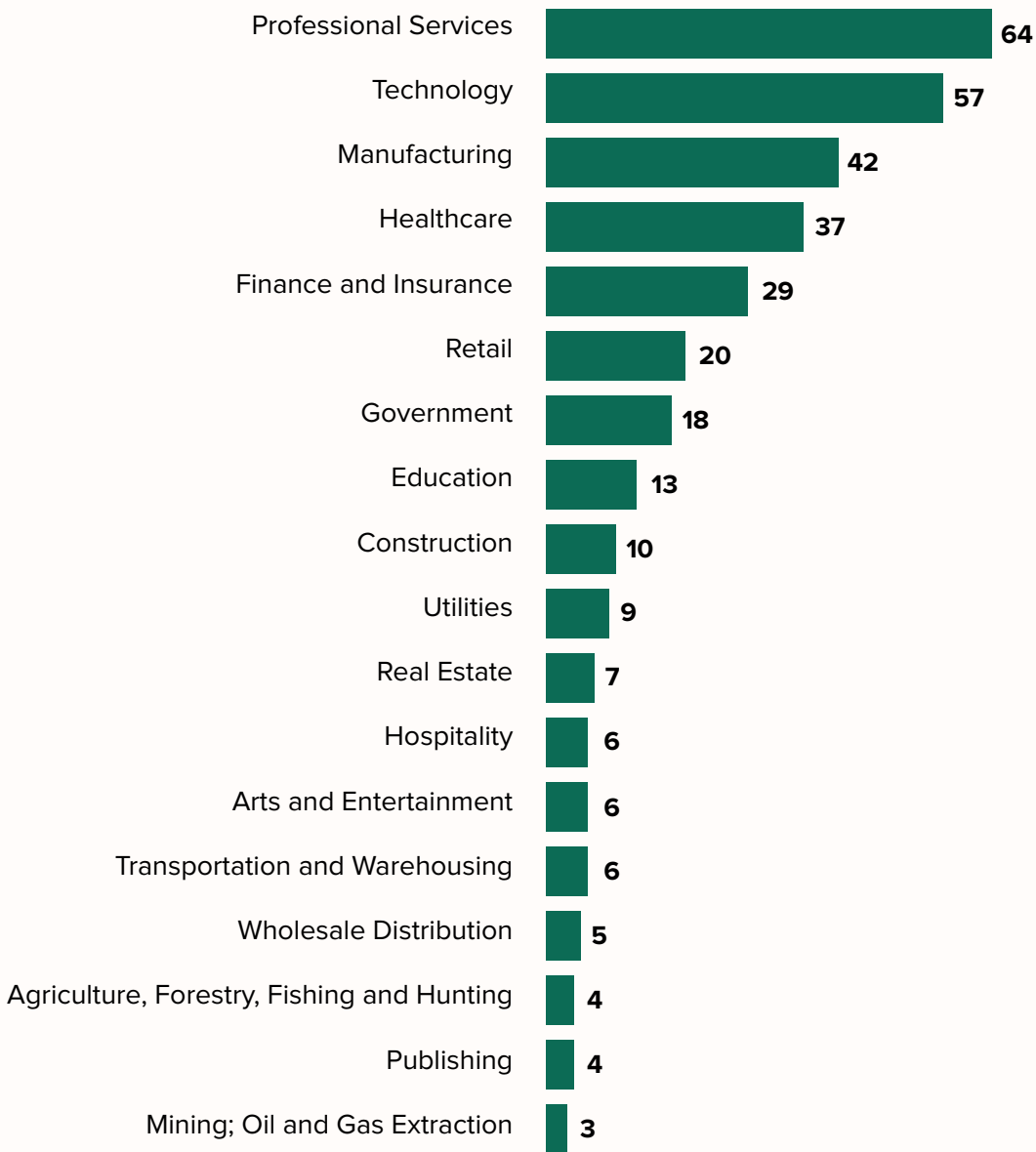
01. AREAS OF CONSULTANT EXPERTISE

The most frequently listed areas of expertise were Executive/Business Coaching, Corporate Strategy and B2B Marketing.



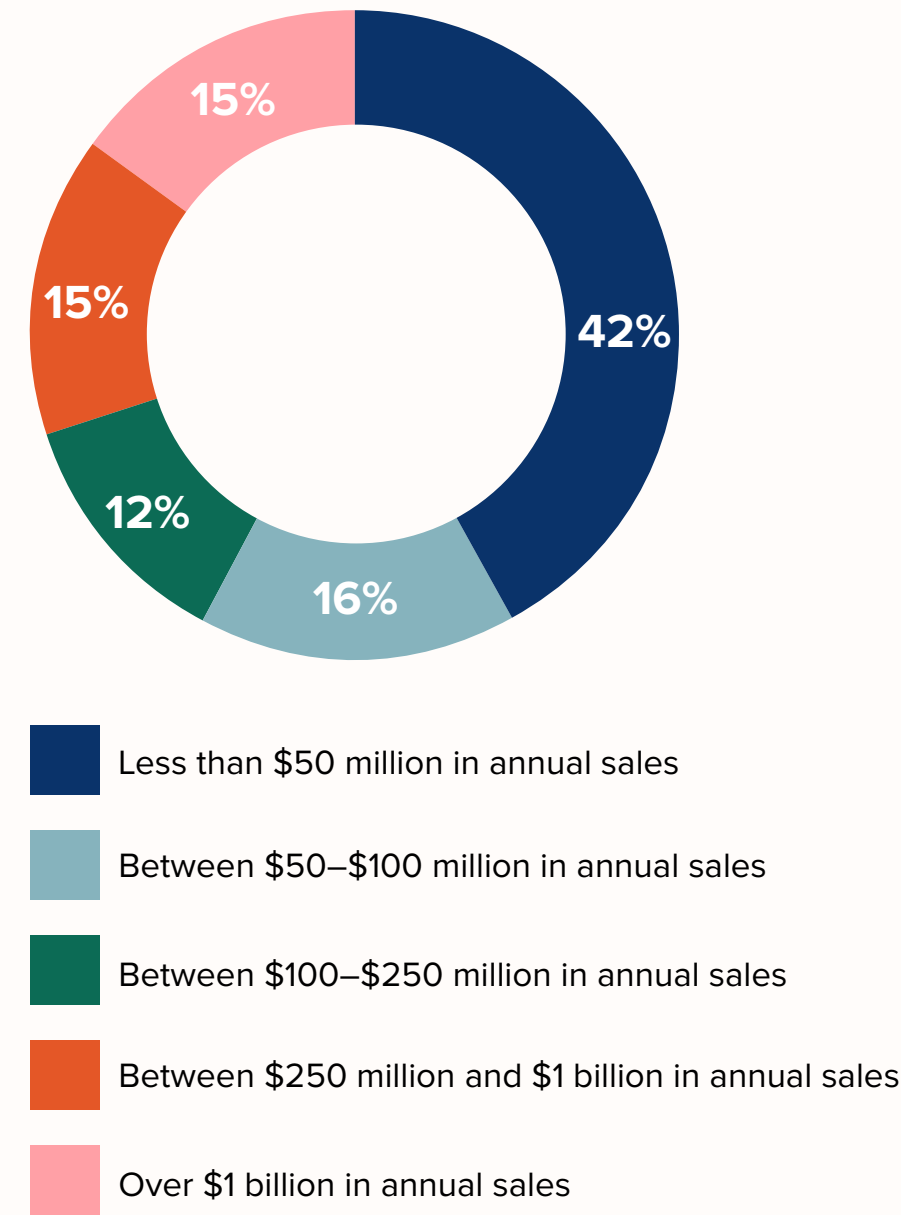
02.
RESPONDENT INDUSTRIES SERVED

A wide variety of industries are served by the 150 independent consultants, with the most common being Professional Services, Technology, Manufacturing and Healthcare.



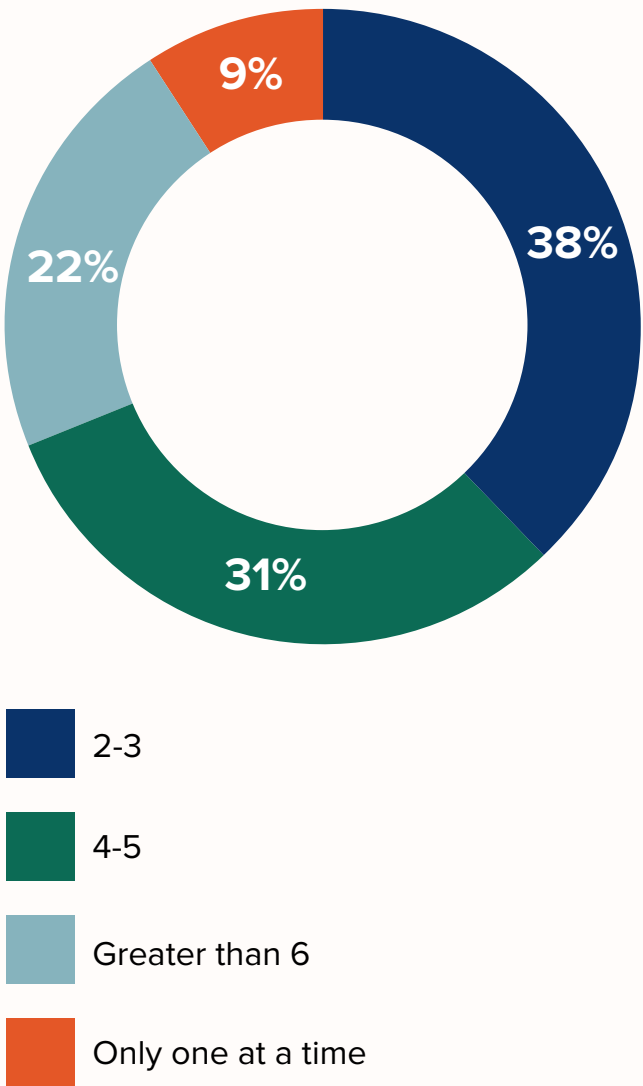
03.
SIZE OF CLIENTS

70% of respondents work with small- and medium-sized clients (defined as under \$250 million in annual sales).



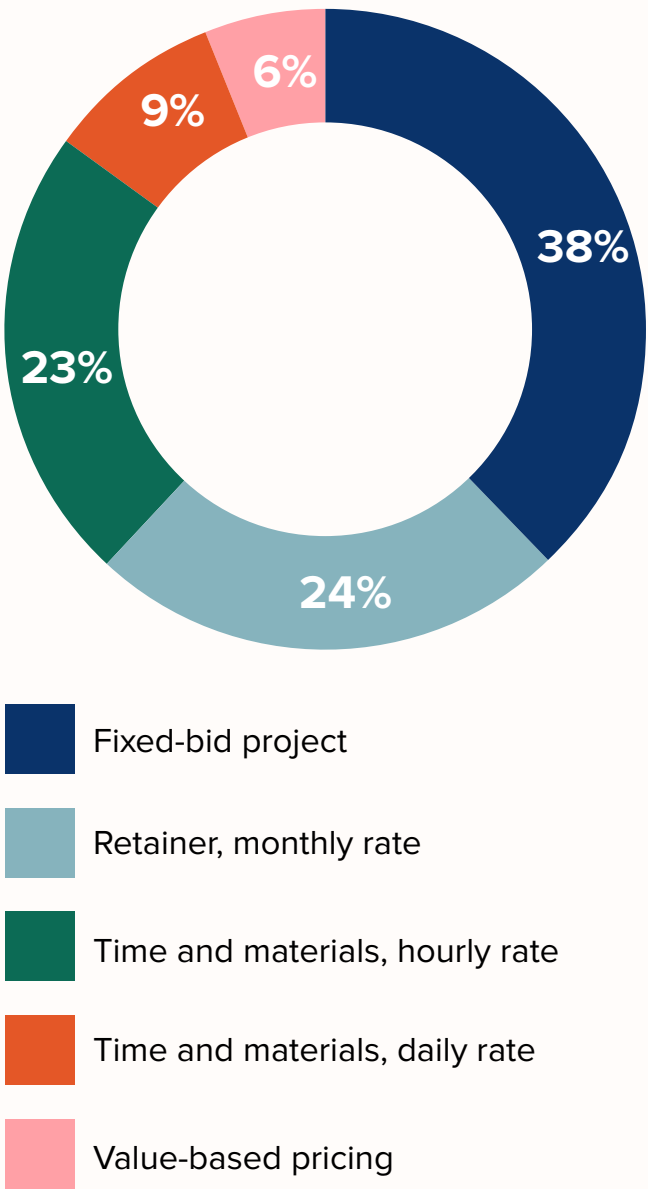
04.
NUMBER OF CLIENTS SERVING AT ONE TIME

91% of respondents are usually working with more than one client at a time; 22% often work with more than six.



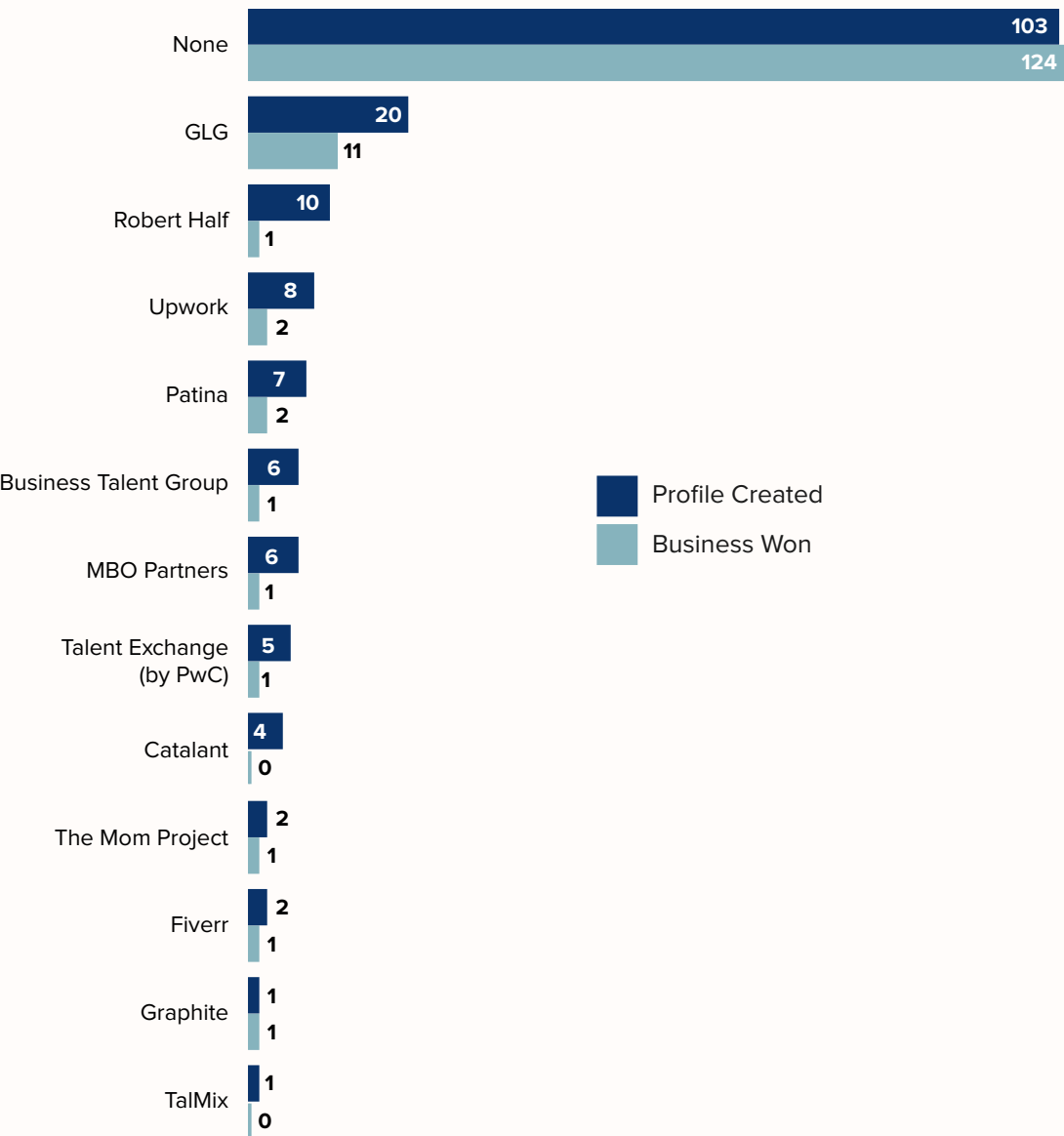
05.
COMPENSATION ARRANGEMENT

There was a good mix of compensation arrangements cited by respondents, with the most common being fixed-bid projects.



06.
ONLINE STAFFING FIRM USAGE

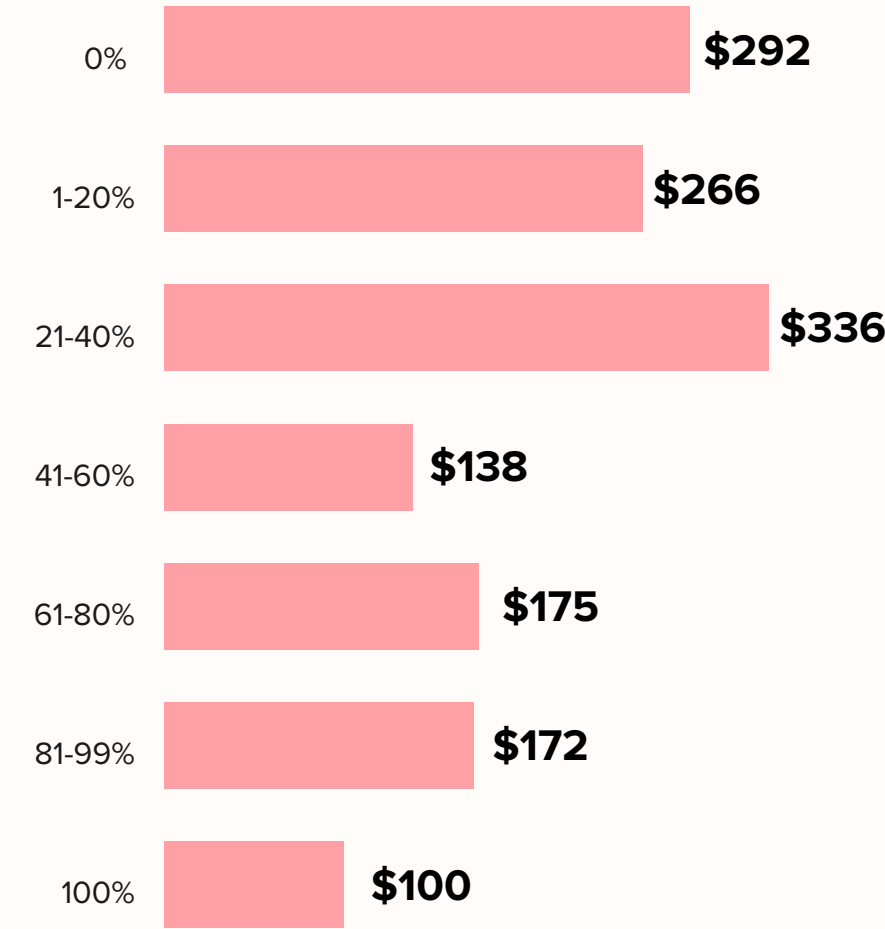
Most consultants have not set up their business with any of the 12 online staffing platforms that were listed. GLG had the most respondents and had the best success rate of respondents winning business.



07.
STAFFING FIRM USE AFFECT ON RATES

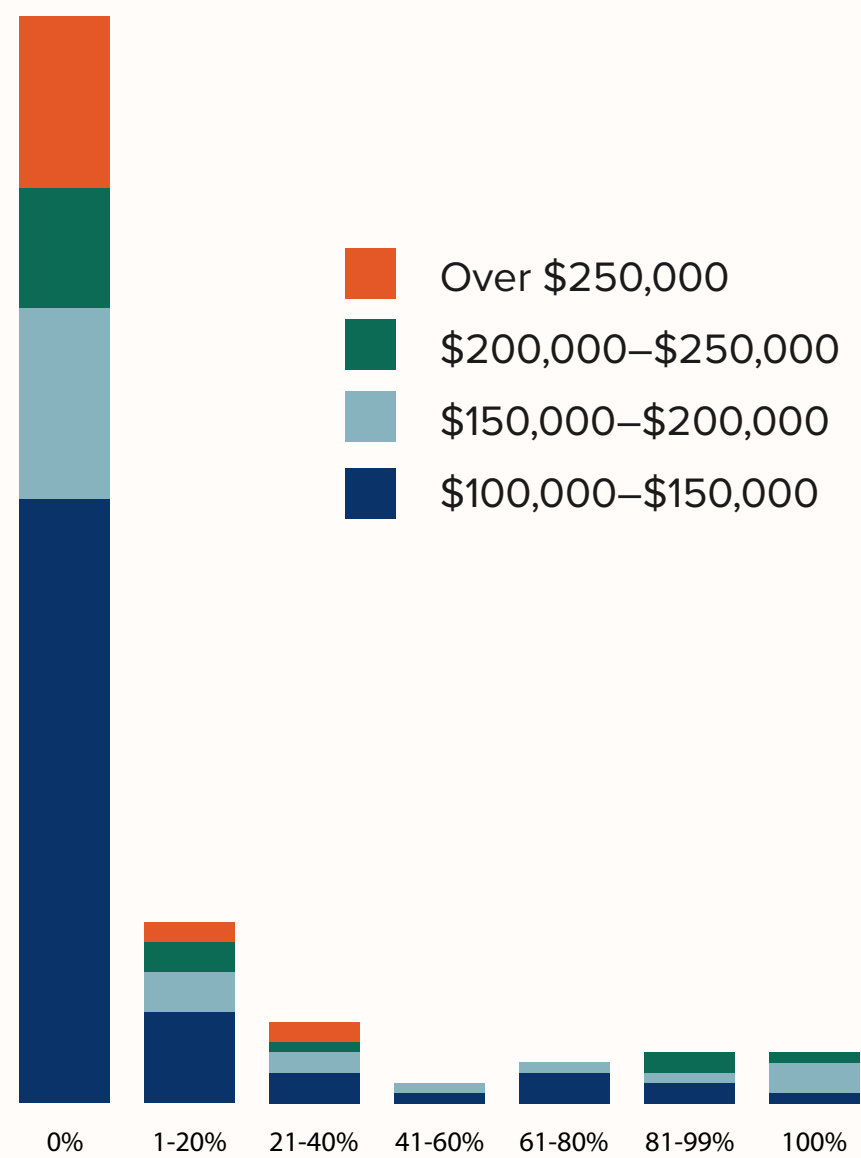
Consultants who get a large part of their work through a staffing agency or consulting firm have lower average hourly rates.

Average Hourly Rates by Percent of Revenue from Staffing Agency/Consulting Firm



08.
COUNT OF ANNUAL NET REVENUE BY PERCENT OF
REVENUE FROM STAFFING AGENCY / CONSULTING FIRM

The cohort of consultants who don't use staffing firms had the largest number of \$250,000+ annual net revenue achievers.



09.
CONSULTANT TRAVEL VOLUMES (FROM 2019)

Percent of Time Spent Travelling Away from Home Metro Area.

