

Business Plan

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Introduction

Background and Context

Author's Introduction

Early personal ambition to become a management consultant

Long term interest in optimization and efficiency

It is my conviction that peoples' greatest value is their humanity, in comparison with information systems and robots.

Academic training touched on subjects such as psychology, interpersonal communication.

Long term vision of setting up a philosophy college, with the aim of encouraging business leaders to take a broader view of their role, embracing social responsibility, environmental concerns and other area that foster sustainable business development.

Brief Description

This document is the business plan for a management consulting firm, operating as an independent entity, while collaborating with strategic and tactical partners to compensate for long and short term weaknesses.

The firm will deliver high value-added consulting services, irrespective of vertical industry, or functional area.

The general objective of the services delivered is to assist clients' corporate management to bring about sustainable change in their organizations, with maximum efficiency and effectiveness while maintaining optimal employee moral.

Areas of expertise include:

- Organizational Change Management
- Human Resources Management and Capacity Building
- Project Management

- Project Portfolio Management

Strategy

Sustainable success requires the flexibility to adapt to a changing environment. Diversity shows the way for flexibility. Research and Development is the process that ensures that an enterprise has the right information to make the right choices as its market evolves.

Business Drivers

General

The current boom in the “coaching” industry, without recognised professional bodies, has created an opportunity for delivering quality consulting services using proven techniques, thereby offering the client greater reassurance about deliverables.

Mergers and acquisitions are continually forcing organisations to evolve their internal structures and processes, to create synergies, to foster cooperation and collaboration and generally to reinvent themselves.

Other trends in the way we work also require corporations to adapt, such as virtual teams, teleworking and wholesale outsourcing.

Vision

Bring real understanding of sustainable development to provide a better quality of life for shareholders and employees alike.

Mission

Provide advice to organisations on achieving sustainable long term goals, with minimum overall effort

Values

Humility



Courage



Humour



Continual learning



Diversity



Sustainability

Core Activities

Offering

Management Audits and Assessments

Strategy Audits and Assessments

Corporate and Functional Strategy Consulting, Facilitation and Coaching

Organizational Change Management Consulting, Facilitation and Coaching

Management and Leadership Development Consulting, Facilitation and Coaching

Talent and Capacity Building Consulting, Facilitation and Coaching

Performance Management Consulting, Facilitation and Coaching

Service Categories

Conference Interventions

Awareness training (2-4 hours)

Short term training (4-24 hours)

Long term training (3-20 days)

Short term consulting = < 10 days

- Assessments
- Workshops

Mid term consulting = 10-90 days

- Audits

Long term consulting = > 90 days elapsed

- Coaching

Non-strategic Services

From a strategic viewpoint, sustainable success requires the flexibility to adapt to a changing environment. Diversity shows the way for flexibility. Research and Development is the process that ensures that an enterprise has the right information to make the right choices as its market evolves.

Activities that reduce diversity or the capacity to learn are not sustainable in the long term, but can afford stability and security.

Services that provide long term revenue streams can be useful to provide the stable base that enables more risk-laden investment elsewhere. However engagements such as full-time, rolling delegation contracts must only be taken with a valid business justification. Fear of the future is not a justification. Long term mandates prevent consultants from developing in line with the firm's strategy.

Specialisation and niche services can often generate attractive margins and allow a firm to develop critical mass in a specific market segment. Just as with long term engagements, this approach offers financial security. However, specialisation prevents diversity, which itself is the model for flexibility and long term survival.

Business Model

Research (investment), Teaching internal (investment), Teaching external (revenue), Consulting (revenue)

Pre-Sales=10-20% of time

Learning = 10-20%

Teaching (internal and external) = approx. 20-30%

Practicing = 40-50%

Ratio of 1 Senior : 5 Juniors

Use Part time seniors to offer broader range of skills

Governance Model

Partnership of Multiple shareholders

All shareholders have a vote

Managers and their direct reports are compensated for suggestions made by the direct reports that are adopted by the board

Stakeholders

Eli De Friend

Itecor International or other long term strategic partner

Opportunities

Alternative Sales Channel for existing business

Develops the general market positioning of the group, without impacting the existing positioning

Offers a new career development prospect for existing and future staff

Possibility to use the firm's services within the group

Efficiencies gained from another subsidiary using the groups' services

Concerns

Financial Investment

Third party investors

Operations

This business plan will describe the business operations in 3 distinct phases of early development

Start up Starting from Day 1 of operations for a period of 18 months. A typical sales cycle in the services sector lasts approximately 18 months to 2 years. In this period the major activity is business development. Initial recruitment activities can start, but have to be weighed against economic realities.

Business Begins After the first 18 months, the first sales cycle is coming to a close and the first contracts are signed. The business development activities must continue, but the client assignments must now be resourced, delivered, invoiced, and revenue received.

Cruising Speed After 3 years, full profitability should be achieved. Sales, recruitment and delivery activities are balanced to manage growth. Additional concerns now need to be addressed, such as talent management, organizational development, strategy review.

Marketing

Conferences

Articles

Newsletter

Network

Market Overview

Delivering organisational development and general management consulting services.

Suisse Romande is a small market. Typically, everyone knows each other. In such a context even large multinationals tend to operate as smaller, parochial structures. Business is done at a personal level.

If you have a good personal network, doors open easily. If that network is not available, no matter how powerful a brand image a company may have, business will not be easy.

Client Profile

Senior and Middle Management

International Culture – the multi-cultural nature of the firm, is more likely to be appreciated by international clients, whereas traditionally Swiss-cultured clients are likely to prefer sales and delivery staff who share the same culture.

Financially Stable – avoid unpaid invoices and the ensuing reminder letters.

Start Up

Research and analyse firms matching typical client profile within a manageable geographic area, e.g Léman Region.

Identify competition.

Identify and develop market differentiators.

Prepare marketing materials, using in-house resources.

Use personal and professional network to establish reputation.

Attend conferences as listener and speaker targeted at prospect client profile.

Exploit Itecor's position in client IT departments to cross over to business and move up to senior management.

Internet web site provides information about core services and simple biographies of senior consultants.

Business Begins

Review market.

Continue to research and analyse firms matching typical client profile within a manageable geographic area.

Review and develop market differentiators.

Prepare marketing materials, using internal and external resources.

Use personal and professional network to establish reputation.

Attend, as listener and speaker, conferences targeted at prospect client profile.

Exploit Itecor's position in client IT departments to cross over to business and move up to senior management.

Use client references, if any, from the Start Up phase.

Internet web site provides information about core services and simple biographies of senior consultants.

Cruising Speed

Review market.

Review marketing strategy.

Continue to research and analyse firms matching typical client profile within a manageable geographic area.

Review and develop market differentiators.

Prepare marketing materials, using internal and external resources.

Use personal and professional network to establish reputation.

Use client references from the previous 3 years.

Attend, as listener and speaker, conferences targeted at prospect client profile.

Exploit Itecor's position in client IT departments to cross over to business and move up to senior management.

Internet web site provides full information about company, including recruitment opportunities, partnerships, core services and simple biographies of senior consultants.

Competition

The Big Four accounting and auditing firms continue to offer high value consulting services, even if regulations have caused the numbers to diminish.

[McKinsey](#), for those who can afford their services, is another reliable consulting firm with a solid reputation.

Local Competition

Beyond the global players, many smaller firms offer high value services in niche areas, e.g. Mercuri Urval in Recruitment, but few directly in the area of Organisational Development and Change Management.

There is logically more activity in German-speaking Switzerland, particularly in Basel and Zürich, where most of the Swiss economy is based.

In French-speaking Switzerland, typically in this market segment, a variety of individuals operating as freelancers or in small groups offer services ranging from communications strategy to personal development and coaching.

Specifically in the area of Organisational Development/Change Management consulting, the following table shows firms based in French-speaking Switzerland offering such activities.

Company	N° of Employees	Head office Location	Description	Web site
AR Conseil	1?	Cologne	Par des techniques éprouvées nous activons le décollage et la conduite de vos projets	http://www.arconseil.ch/
The Training Spirit	6	Geneva	Our mission is to provide training and development activities for employees, managers and their organizations to develop and build skills for success and satisfaction in the working environment.	http://www.ttspirit.com/index.html

Blanc Consulting in Project Management, [Itecor](#) in IT Management, etc.

Further analysis of the competition will be performed, after the Start-up phase.

Sales

Service Sales Professionals

Each consultant

Start Up

Consultants compensated 50% of all revenue derived from assignments that they sell, irrespective of who delivers.

Extensive interviewing of executives in target clients.

Business Begins

Consultants compensated 25% of all revenue derived from the invoicing of assignments that they sell, irrespective of who delivers.

Continued interviewing of executives in target clients.

Cruising Speed

Consultants compensated 50% of all revenue derived from the invoicing of assignments that they sell, irrespective of who delivers.

Continued interviewing of executives in target clients.

Dedicated services salesperson receives 25% of all revenue derived from the invoicing of assignments that they sell, irrespective of who delivers.

Organisation

Board of Directors

All shareholders have votes in proportion to the volume of shares.

Shareholders have the right to delegate their votes.

Management Team

CEO

Personality Profile: Visionary, bold, charismatic. Capable of listening and talking. Enjoys decision-making. Respects and values others. Full of energy. Pro-active.

Myers-Briggs perspective: ENTJ

Belbin perspective

COO

Personality Profile: Pragmatic, structured, rigorous. Pro-active and reactive.

Myers-Briggs perspective: ESTJ

Belbin perspective

Partners, employees and collaborators

Start Up

[Eli De Friend](#)

Qualities

- Creative, Conceptual
- Enthusiastic, Open to new ideas
- Motivation

[Joyce Miller](#)

Recruit 3 trainees for sales / consulting

Network of senior freelance consultants to train the trainees and deliver assignments.

Business Begins

[Eli De Friend](#)

[Joyce Miller](#)

Recruit 5 trainees for sales / consulting

Network of senior freelance consultants to train the trainees and deliver assignments.

Engage 1 senior salesperson

Cruising Speed

Refine staffing to achieve:

- minimum 20 FTEs in delivery
- 1 FTE sales
- 1 FTE admin

Procurement

Recruitment

The firm recruits proactively, training/coaching consultants before assigning them to engagements.

Potential recruitment Sources

- EPFL forum
- HEC
- Press
- Web

Assumptions

The services industry is evolving, as are its clients' industries. Change is therefore inevitable for a consulting firm.

18 month Sales Cycle

Average Salary senior consultant 150–200 KChf

Average Salary junior consultant 50-100 KChf

Daily Billing rate senior = KChf 3000

Daily Billing rate junior = KChf 1500

Finance

Costs

Start Up

Marketing: 50,000

Staff Compensation: 360000

Other services

Phone

Secretarial Services

Total = 410000

Business Begins

Marketing: 50,000

Staff Compensation

Other services

Phone

Secretarial Services

Total=560000

Cruising Speed

Marketing

50,000

Staff Compensation

Other services

Phone

Secretarial Services

Startup Costs

Infrastructure

1 laptop @ CHF1500 / member of staff = CHF6000

1 mobile phone @ CHF100 / member of staff = CHF400

Marketing

Start Up

Press advertisements

Web site design: CHF2000

Web site hosting: CHF300

Participation in conferences: 10000

Business Begins

Press advertisements

Web site hosting: CHF300

Participation in conferences: 10000

Cruising Speed

Operational Costs

Employee Compensation

Start Up

CEO = 160,000

Juniors = $2.5 \times 80000 = 200000$

Total = 360000

Business Begins

CEO = 160,000

Juniors = $5 \times 80000 = 400000$

Total=560000

Cruising Speed

CEO = 160,000

Other seniors = $2 \times 150000 = 300000$

Juniors = $15 \times 80000 = 1200000$

Total=1660000

Other Costs

Services provided by Itecor Group

Other Services

Infrastructure

Revenue

Start Up

20 days @ 2.5 = 50

Business Begins

120 days @ 3 = 360

300 days @ 1.5 = 450

Total = 810

Cruising Speed

15 * 100 days @ 1.5

3 * 100 days @ 3

Risks

Conclusion