The Wealthy Consultant

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General Ideas

- Consultants sell information (a lesson, outcome or wisdom)
- Real businesses create enterprise value

1. How we got here

- If you don't have enough time it is a problem of priorities
- The less important you are for your business to maintain, the higher is value
- **Concentration Risk:** The Risk of being dependent on one source or person

2. 3 Keys to Scaling a Business

- Scaling is adjusting the size of a business to the market
  Not growth per se -> *CLTV:CAC > 3*
- The business has to be able to self-fund its growth

- **Bad Scaling** = Reducing certainty for future returns (especially reputation)

- **Moat** = Barriers of entry to protect you from competition
  For Consulting: Evidence of your methods working

3 Types of Leverage

If you cannot scale without sacrificing goodwill, you need more leverage

Financial:	Getting something you did not pay for (Goodwill, Credit, Mortgage)
Operational:	Getting something you did not work for
Brand:	Getting access to people

3 Models to Scale through Leverage

Attention:	• Getting people to notice you • Publish books, videos, podcasts, webinars, newsletters, etc. • Get content inspiration from other industries • Pay for others' audience • **Positioning** = How you are percieved in the market
Retention:	• Keeping the attention • Provide more value to gain trust • Provide lifechanging amounts of value
Repeated Customers:	• Keeping them as a customer to sell more to or get a referral from • Proof the value of your product. • Sell them something else to solve another problem • Have customers pay upfront to have more money to invest

3. How to Scale with Product

- Product Ecosystems
- Combine free and paid content

3 Types of Deliverables

Information:	• Products to teach general information
Customization:	• Products to solve specific problems • Price is correlated to how specific the product is to the problem it is solving
Proximity:	• Coaching • Helping people to implement the advice • Proximity = access

4. 8-Figure Teams

- To scale a company you must outsource work

Outsourcing Labour:	Delegating the work to someone
Outsourcing Decisions:	Letting others make decisions for you

- Use **Top Grading** to hire employees
- Train them to develop the competencies and equip them to have autonomy for making decisions
- Create bonuses for exceptional work

3 Levels of replacement

1. Hire people to do things you don't want to do or are bad at
2. Hire people for things you are good at but don't enjoy
3. Hire people for things you are good at and enjoy

T3 Team Matrix

Have one of these for every department

- T3: Labour Worker
- T2: Manager
- T1: Decision Maker (above5M revenue)

Rating Team Members

Attitude:	• Are they positive? • Do they take criticism? • Do they communicate openly?
Competency:	• Do they have the skills nessecary? • Pay more for competence
Experience:	• Have they done it before?

Revenue per Person (RPH)

- For consulting an average value is $400.000 per year and employee

Create Culture

Culture encompasses three key areas:

What we believe.
Why we believe it.
How strongly we believe it.

5. Scaling Acquisition

Converting Attention to followers and customers

4 Platforms

Paid Media:	• To start and scale fast • Easy but least safe • **Rule:** **Never assign more than 50% of attributable revenue for paid ads.** **If you generate $20M in revenue, max. spend $10M in paid media.** • Look at Return on ad spend (ROAS)
Organic Media:	• Free Content in general • It takes long but is rewarding
Partnership:	• Paying for accessing someone else's media attention • E.g. paid referrals
Outbound:	• Cold outreach • Hardest one

6. Demonstration

- **Demonstration** = Showing people you have the skills you sell

- Having a reliable way of doing things is better than a quick way

- 3 Tiers of Market

Cold:	Don't know you at all
Warm:	Know you but have not buyed
Hot:	Know, like and trust you

Building Funnels

- You need both narrow and broad targeting to scale
- Have top, middle and bottom funnels to target a broad audience and filter the ones to target more specifically

Top:	Free Products to attract people to the solved problem
Middle:	Additional free and paid content
Bottom:	Expensive core products

- Collect information and classify leads
- Ask:
  1. Do they need the product?
  2. Do they have the resources, (now)?

- Create decision trees for when a lead qualifies for going further in the funnel

- **About 3-5% of a market are willing to buy immediately**

- Types of Demonstraion Assets
  - Direct Offers
  - Communities
  - Events
  - Products
  - Books
  - Content

7. Monetarisation Models

- **Monetarisation** = turning attention into revenue
- Diversify the types of monetisation

- **Law of the Mirror:**
  Show the traits you want others to show to you.
  E.g. If you want to be resected, respect yourself.

4 Monetisation Models
- Have at least 3 of them

Products	• < $100 • Do it yourself • No to a little effort from your side to fulfill • Automate delivery as mus as possible • No customization • Have some expensive products They should have >90% margin
Services	• $50.000-$1M • Done with you • High effort to fulfill • Find 3-4 areas in the process of your products where peolpe get lost, frustrated or confused most often • Build a service to help them
Programs	• $5.000-100.000 • Done with you • Medium effort to fulfill • Customize your training • High levels of access and customization (3 Types of Deliverables) • If you struggle to sell for $5k, optimize your offer What is meant by a program? How do they look? Obly one example is given of someone charging $40.000 for a meetup
Partnerships	• Equity partners, jcount ventures, affiliates, white labels • Look for partners to sell your product for/with

8. Scaling Fulfilment

- Prioritize having a good reputation over being fast in delivery
- Put your intuition into frameworks
- Teach them instead of doing everything yourself

3 Rails of Fulfilment

These 3 things need to be done in order to scale properly

1. Curriculum:	• Create a program out of what you do • Focus on what makes your work predictable and high quality • Record anything you repeat often • Create an algorithm to get your results
2. Community:	• Create a community for the people you help • Look at who is performing worse with your solution and help them • Make the people in the community help each other
3. Coaching:	• Help people customize the information to their specific needs • Give "Classroom Sessions" where you talk through specific topics. 3-5h long and include what, how, who and when. • Five Events where people can come and implement the solutions together • Give 1:1 sessions

9. Tie it all together

- The only way to scale a business safely is by using models
- Outsource the decisions made in the business to frameworks

- The Problem with rapid scaling:
  Things that make you scale quickly often reduce sellability

Codex for building and Scaling Consulting

Phases of a Business

1. Startup:	• < 1year • "Message-to-market" is in development • 1x1x1 Rule: Habe only one platform, one demonstration asset and one monetarisation model • Focus on rapid iteration
2. Buyback:	• 3x3x3 Rule: like 1x1x1 but 3 of each • $3M to $10M
3. Multiply:	• Integrate a T3 Team • Build quality • Reach a "superstar C-level team" before entering Phase 4
4. Harvest:	• Business runs without you

- Properties for rapid growth
  - 3x3x3
  - Consistent 20% growth each year
  - Option for the founder to leave for 6months without loosing growth
  - At least 12 months savings
  - A system to release products every quarter

10. Next Steps

- Most important for growth is who you trust