SO YOU’VE DECIDED TO BECOME AN INDEPENDENT CONSULTANT. NOW WHAT?

I. Identify your Niche
   a. YOU
      i. What are you best at?
      ii. What are you known for?
      iii. What do you not like doing?
      iv. Who were the best donors/clients you worked with and why?
      v. Who were the worst and why?
      vi. How much do you want/need to earn?
      vii. How much do you want to work?
   b. THEM
      i. Network, network, network! Ask tough questions and LISTEN hard.
      ii. What do your proposed clients actually need?
      iii. What part of that can you provide well and what is already being provided?
      iv. What are they willing and able to pay you?
      v. What time frames are involved? (i.e. will they not have money until the next fiscal year is budgeted? When is the next board meeting and are you on the agenda?)
   c. CHOICES
      i. Working solo vs. collaboration
      ii. Task vs. consulting/advising vs. teaching/facilitating
      iii. One-time or ongoing?
      iv. In person or online?
      v. Customized vs. formula

II. Business Start-Up Steps:
   a. Business formation including operating documents:
      i. Identify the proper entity
         1. Limited Liability Company (LLC)
         2. Partnership or Limited Liability Partnership (LLP)
         3. Corporation
            a. S-Corp
            b. C-Corp
      ii. Secretary of State Registration
         1. Secure Name and/or D/B/A
      iii. Ensuring separation of personal vs. business Limited Liability Company (LLC) – single-member and multi-member
b. Drafting A Business Plan  
   i. Identify clients, referrals sources, and resources  
   ii. Business Management  
   iii. Technology/Resources  
   iv. Budget  
      1. Initial Start –Up Costs  
         a. Registration fees  
         b. Professional Membership Dues  
         c. License Fees  
      2. Ongoing Expenses  
         a. Renewal fees  
         b. Workshops & Conferences  
         c. Office Supplies  
            i. Business cards, stationary, etc.  
            ii. Computer, printer, ink, electronic storage, etc.  
            iii. Postage  
         d. Networking Expenses  
      3. Receivables & Cash Flow  
         a. Timing – when will you be paid?  
         b. How many clients will you need to cover expenses?  
         c. What are their fiscal years?  
         d. Coverage of deficiencies  
         e. Reserves  

c. Taxes and Laws and Accounting, oh, my!  
   i. Establish truly independent contractor relationship vs. employee  
   ii. Retain an accountant  
   iii. Obtain Federal & Minnesota Tax Ids  
   iv. Tax Filings  
      1. Income – Quarterly Estimates  
      2. Payroll taxes  
      3. Unemployment tax (exemption?)  
      4. Sales tax  
   v. Establishing Business Banking Accounts  
   vi. Licensing and registration  
      1. Annual renewals  
   vii. Insurance  
      1. Liability/Umbrella  
      2. Bond  
      3. Workers’ Compensation (exemption?)  

III. Branding and Marketing  
   a. Positioning your company
i. Who is your target market?
ii. Who is your competition?
iii. What is your competitive advantage?
iv. What makes you unique?

b. What are the market trends?
   i. Are you trying to market something that nonprofits are moving away from?
   ii. Can you get ahead of the next trend?

c. Network, network, network – ask tough questions and listen hard
   i. Marketing materials
   ii. Holding yourself accountable
   iii. Exposure
   iv. Social media
   v. Website
   vi. Blogs and webinars

IV. What to Think About BEFORE you Sign that Contract with your Client

a. You’ll need to assess, before saying yes, if this is a client you can work with and for.
   i. Have you done due diligence; researched them online, with Council on Nonprofits, with colleagues in the nonprofit world? What are people saying about this organization?
   ii. Do you understand their values and mission?
   iii. Do you agree with what the mission? Can you be passionate about the mission? Money is good, but not if you don’t think the mission is something you can stand behind.
   iv. Can you say that, at least on the surface, this seems like a good fit for your skills and temperament?
   v. Find out who makes the decision makers are at the organization – who has the final say? You should meet them.

b. How will you charge for your services? How do you decide what your services are worth?
   i. Should you charge by the project, or by the hour? And if you charge by the hour, what do want for your work? Is the organization willing to pay for your skills in a way that makes you comfortable?
   ii. If you’re just starting out, do you low-ball your fee because you want to get some credibility and establish a track record?
iii. Is an evaluation of the project part of the work you signed on to do – it should be.

c. Before accepting that job, you need to know about their board.
   i. Do they describe themselves as a fundraising board?
   ii. Do they give an annual gift?
   iii. Do they meet with individual potential donors? Do they act as advocates for the organization? Do they attend events?
   iv. Do they support a consultant being hired?
   v. How closely will you work with the board?
   vi. How large is the board? What are term limits? How are board members chosen – pull a name from a hat?
   vii. Do they use their connections in the community to bring in donors?

d. Staff competencies
   i. Do they have a donor database? What is it? Is there a dedicated staff person to do queries, and to mine and add to that base?
   ii. Is there a grant writer on staff? How much of their budget is individual gifts, how much is represented by grants (government and foundation), by planned gifts, etc.?
   iii. Does the organization have an endowment? If so, what is it?
   iv. Will you work closely with staff?
   v. Will there staff act as back-up for some tasks?

e. Getting Paid
   i. You will need to see some money “upfront,” before you begin to work on the project. If you are paid for the project, how do you want those payments spaced out?
   ii. Many organizations want monthly invoices: If so, find out when they are due, and if they want a list of tasks, meetings, etc. for the time period, or just the invoice. Find out when a check will be in your mailbox.
   iii. Make sure that you do have a contract – read it over; you are free to disagree and ask for changes.
   iv. If you are owed money that does not seem forthcoming – remind them of your agreement, and that you are waiting.
   v. If you're hired and then client will not change or add to what they're currently doing... they will not listen to what they hired you to do.......Take the money, say thank you, and end ties with them.

f. End your work on a good note
i. Write a final report/evaluation – be gracious and give credit to staff, board, etc., IF things went well.
ii. Ask for references.

V. Work Life Balance

**Working for yourself—Finding YOUR Work/Life Balance**

“There is no such thing as work/life balance- there are work/life choices and they have consequences”

~ Jack Welch

I. “There is a cost to everything”.
- Every choice you make has a consequence
  ~ what you are willing to do
  ~ what willing to give up to do it.
- Prioritize! All things are not equal
  “Steven Covey: The key is not to prioritize what is on you schedule, but to schedule your priorities”

II. Understanding the impact of stress

(Slide—Yerkes Dodson curve) The relationship between performance and stress.

**Yerkes Dodson Curve**

- Stress can improve efficiency—to a point—then it has the reverse effect
- Understand the law of diminishing returns
- Setting boundaries is critical to managing stress/maximizing efficiency

Example:
establish regular work hours
Have designated work space

III. Give/get the most satisfaction from your work

- Understand Why are you doing it?
- How much is enough?
- Know what “enough” means: Time, money, clients
- Create a Routine That Maximizes Your Energy and stick to it
- Enforce! Don’t get sucked in!
- Have some down time—schedule it and honor it!! Schedule appointments with yourself!
- Switch off the gadgets!! No work phone/email during family or personal time—The work can wait!

IV. Grow and maintain your network!

- Maintain connections with other professionals in your chosen field.
- Stay connected to emerging issues
- Get support when you are stuck, have a sounding board for ideas
- Allows you to contract work out to others—it makes good business sense!

V. Don’t “should” on yourself!

- Don’t feel guilty for taking time for yourself! i.e: I “should be doing X, Y or Z instead of this”
- You will be better able to manage your work when you also give yourself permission to play

“Don’t get so busy making a living that you forget to make a life”
~ Dolly Parton

VI. Resources

a. Starting a Business
iv. SCORE  https://www.score.org/  SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. They have been doing this for over fifty years. Because their work is supported by the U.S. Small Business Administration (SBA), and thanks to their network of 11,000+ volunteers, they are able to deliver our services at no charge or at very low cost. (Or consider being a volunteer mentor!)

v. Idealist Careers website – 5 Tips to Consider Before You Become a Nonprofit Consultant.

vi. Association of Fundraising Professionals: So you Want to be a Consultant.


b. Work Life Balance

i. https://www.entrepreneur.com/article/253635

c. Marketing
   ii. Vistaprint.com – Inexpensive but high quality printed materials including business cards, postcards, rack cards, brochures, etc.
   iii. Moo.com – Printed materials

d. Websites, blogs, etc.
   i. GoDaddy.com – Websites and related services
   ii. Easynetsites.com – website development
   iii. Wordpress – websites, blogs, etc.
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