

Case Study Series: What's Working in Marketing & Selling Professional Services

Relationship-Based Sales Model Grows Consulting Firm from \$300K to \$11.5 Million in 3 Years

By Mary Flaherty

OVERVIEW

Seattle, Washington-based Simplicity Consulting is an \$11.5 million company employing more than 100 consultants. The company provides custom business solutions focusing on marketing and people development to large corporations such as Microsoft and Amazon. Unlike a traditional staffing or recruitment agency, however, the company is built on the experience of its business experts who match up the very specific marketing project needs of its Fortune 500 clients with its consultants' talents and skills. Only five years ago, however, the company was just one woman, now-CEO Lisa Hufford, who struggled to find work/life balance after the birth of her second child.

SITUATION

In 2006, Lisa Hufford possessed more than 14 years of experience in the high-tech industry, had worked for about six of those years in Silicon Valley in supply chain outsourcing, and was a successful sales director at Microsoft in Seattle. But with an infant and a young toddler at home, the sales executive had a difficult time balancing her work commitments with her desire, as she puts it, to be fully "present" for her family. So, about five years ago she took a leap of faith, left her lucrative position at Microsoft, and became a solo consultant. With no consulting experience at the time and no idea how to run her own business, she undertook the journey to become an entrepreneur.

"I made the decision to leave Microsoft," says Hufford, "because I wanted balance in my life. I actually don't like that word because it implies giving something up. I prefer the word 'flexibility.' I loved my work. I just felt like I needed a little more control over my life. What I know now is I'm not the only one to feel that way. That's really why our company has grown so quickly."

APPROACH

Uncover Your Value

The first thing Hufford did after she quit her job was to go back to Microsoft and offer them her consulting services. It was a great match. She knew the company's culture and processes and could easily deliver on assignments. But the arrangement wasn't without its challenges, says Hufford. In addition to figuring out how to handle going from being a senior in-house director to providing project support services to those she once managed, she had to figure out how to run a business.

For example, she had no idea how to bill herself out or how to manage a client relationship.

"I had always done sales management and had done well growing businesses for other companies, but it's really different when you're representing yourself. Basically, I made every mistake in the book," Hufford says.

To figure out how to bill for her services, she had to uncover her market rate, so she talked with other professionals and bid on other work. Importantly, she began to explore her personal brand.

"I had to get really clear on knowing my value. It's easy to overlook what your strength is, your unique differentiator in the marketplace," she says.

Focus on the Deliverable

Hufford's approach when it came to billing was to focus on the deliverable. While projects morphed—that's the nature of the business, says Hufford—she focused on working closely with the client from the beginning to get a good handle on the work required.

"Sometimes it's very straightforward; sometimes it's a little more ambiguous. In either case, part of the value we provide is helping clients scope the project as best as possible and then quoting on the deliverable," she says.

Build on Your Strengths

Shortly after Hufford started consulting, other professionals—often women—would ask for advice on how to do what she was doing. Apparently, she wasn't the only one looking for a bit more control and flexibility in a career.

"It's really a lifestyle choice. They wanted to leverage their significant corporate experience, but they still wanted to own their life," says Hufford.

At the same time, her former employer was relying heavily on marketing contract workers and frequently was looking to fill specific gaps in marketing and project teams throughout the 90,000-employee company.

That's when the matchmaking began.

Hufford, de facto coach to aspiring consultants, began placing high-quality marketing consultants in contract positions at Microsoft. In most cases, the consultants were employees of Simplicity Consulting. Sometimes, however, depending on the situation—whether it was a short-term project and if the consultant already had their own business—consultants worked with the company as independent contractors.

Scale the Business

Two years in, Hufford stopped taking on project work herself so she could grow the business. She saw the opportunity: Here she had a major client with ongoing and growing needs for a significant number of exceptional marketing consultants. She also had a steady supply of talented marketing professionals seeking assignments. Beyond Microsoft, she saw a growing trend among other large corporations that use contract employment to reduce costs and increase flexibility.

Still, Hufford says, "In my wildest dreams I never thought we'd grow this quickly." To scale the company, Hufford knew she'd need systems to manage the recruitment, screening, and matching of consultants with open assignments. Hufford hired a small team of Managing Directors to help her create systems and handle the matching process. Each Managing Director was a marketing expert, which helped her assess a client's marketing needs and match them with the right consultant.

Each client had a very specific contract need—temporary, short-term, or long-term—as well as a need for a very specific marketing skill set, whether branding, communications, project management, product management, or sales and account management. Hufford created a proprietary screening process, the Simplicity Success System, which allowed the managing directors to carefully screen candidates.

"I believe it's all about quality, not quantity," she says, "Clients don't have the time to screen candidates. They just want to go somewhere they trust to find quality resources."

Finally, Hufford created a community of proprietary talent—consultants that clients couldn't find elsewhere. Through word of mouth the pool of consultants who wanted to be part of the Simplicity Consulting community grew.

"We have people that you can't find anywhere else because they value what we're all about," she says.

Consultants tend to stay with the company because of the investment Hufford makes in the community, which includes professional development programs, networking sessions, and monthly “expert sessions” where consultants can continue to learn and grow their skills.

Growth through Referrals

The company relied on referrals for 100% of its growth. That’s how they grew both the client base and the talent pool. And it’s become a regenerating process—sometimes a consultant will be hired into a full-time employee role at a client company and then begin using Simplicity Consulting to fill other roles, or a happy current or former consultant will refer other colleagues.

“Our goal is to build trust with every person we meet which is why we’re completely transparent on both sides of the fence,” says Hufford. “You just never know where someone is going to want to be in their life. Our mission is to help people find significance and success. And success means something different to every single person at different points in their life. That’s why we always ask what does success look like for you right now? Is it part-time? Is it full-time? What kind of pay? What kind of work? By asking those questions and really listening, we can put them in the right role.”

The company’s primary selling mode was through traditional, face-to-face relationship building and sales. In a people business—especially one just starting out—it’s all about relationships, and that takes a lot of face-to-face meetings, says Hufford. She spent a significant amount of time networking, speaking to groups at large corporations, and educating Fortune 500 companies on how to reduce costs and leverage resources in a new way.

RESULTS

So far, the relationship-based sales model has worked. In 2010, Simplicity Consulting had revenues of \$11.5 million, up from under \$300,000 in 2007, and it ranked #56 on the Inc. 500 list of fastest growing companies in the U.S. Hufford is ramping up her educational and speaking activities to help expand the company’s client base, which remains heavily reliant on her first client, Microsoft. Simplicity Consulting’s next challenge is to find more clients like Microsoft and Amazon who will benefit from their employment model.

As for getting that lifestyle she wanted, Hufford says, “I have the ultimate in flexibility. I don’t feel guilty, and I’m able to go on that field trip with my son’s kindergarten class. It’s why I do what I do. Like I coach my consultants, you’ve got to set your boundaries. Every day is different, and it’s still a challenge, after all I’m an entrepreneur.”

ADDITIONAL INSIGHTS FROM SIMPLICITY CONSULTING:

- **Get really clear on what your value is as a company.** There are so many shiny objects that distract us, but you've got to declare your niche. That's the way you stand out. Too many businesses are way too general and then people don't know how to think about them.
- **Think hard about your team.** Keep your core staff and team small. It helps keep overhead low, [helps you to] be competitive in the marketplace, but still pays really well. Related to that is to focus on what you really need and bring in a very strong, sharp number two person.

RESOURCES

Simplicity Consulting website: <http://simplicityconsultinginc.com/>