



SCALING A CONSULTING FIRM | CHEAT SHEET

USD \$0-\$5 million revenue

Before AI: 0-40 employees | With AI: 0-20 Employees

North star

GOALS

- Get firm up and running
- Win initial clients/Build case studies
- Find your anchor client that will help you scale
- Move firm to break even
- Build growth model

BRAND

- Select short, memorable name
- Own the URL, socials
- Trademark the name
- Logo, colors that stand out
- Clear website
- Build a clear company voice

ADVISORS

- Identify industry leaders who have scaled a firm like yours or represent clients you aspire to win
- Stretch to advisors who seem more accomplished than you think you could attract
- Find advisors who will give you blunt feedback on your firm's performance
- Bring on advisors for multi-year roles – compensate with equity where possible
- A Board of Directors is pretty rare at this stage, unless you've worked with an investor to fund the launch of the company.

BUSINESS DEV

- Chat with inbound bankers – learn about the market
- Chat with inbound strategics – build the relationship
- Explore different types of partnerships to accelerate revenue growth, as well as different potential partners within each type

AVOID

- All things to all people
- Hiring way ahead of sales
- Hiring employees without medium-term visibility
- High fixed costs

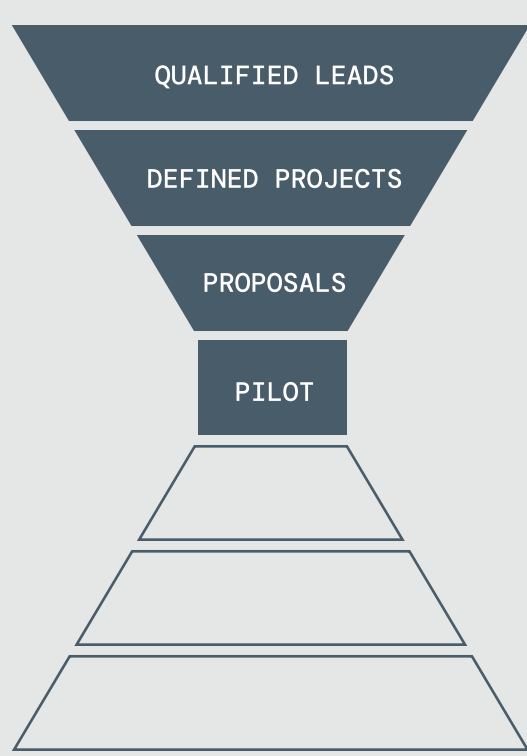
THE WALL YOU'LL HIT

Bandwidth of the founder for sales and delivery

GO-TO-MARKET

DEMAND GEN

- Scrappy outbound – local events, ABM, seek warm intros
- Founder/Exec socials – content and outreach primarily LinkedIn



HUNTING

- Work your networks – you've probably worked with your first clients before
- Hire experienced sales exec with large network
- Be aggressive on pricing

DELIVERY

Outline key phases for team to execute in every engagement

Define deliverables / templates for how work will be delivered

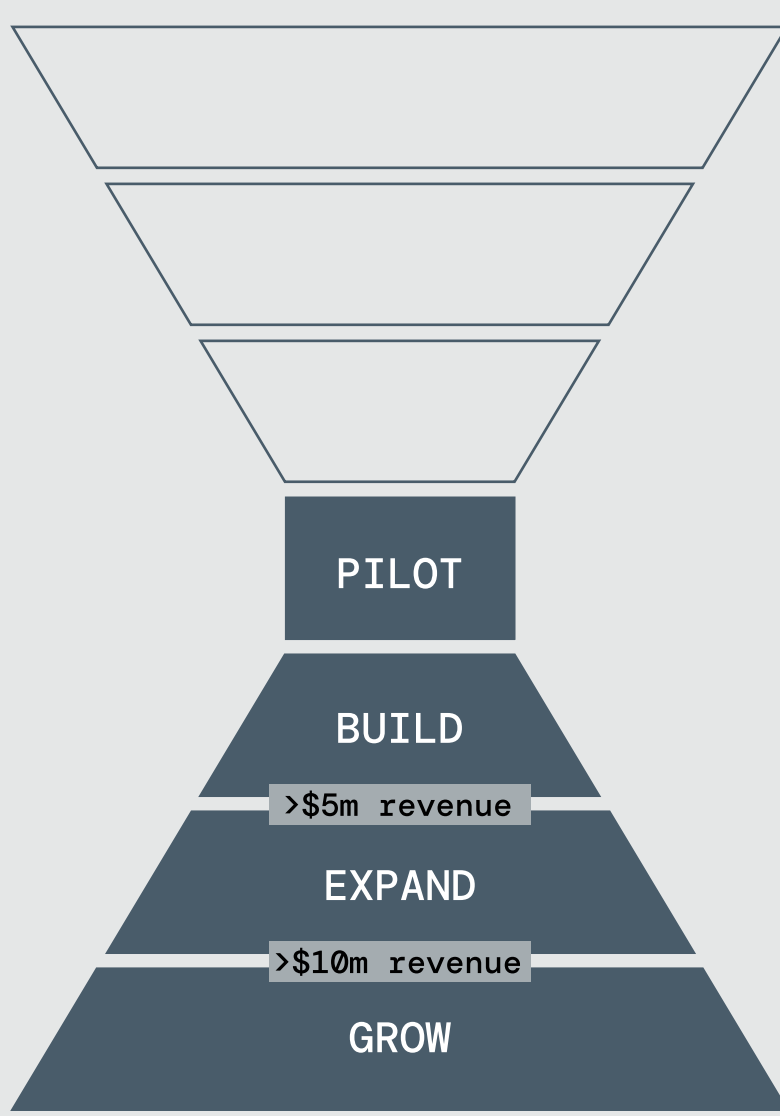
METHODOLOGY: BUILD AROUND YOUR ANCHOR CLIENT

Hold retrospectives after significant phases of client projects to refine templates

Define quality measurement for each gate

FARMING

- Founder check-ins with clients – monthly or more frequently
- Create a "brag sheet" that highlights the value you've added every month
- Project manager / client lead alerts founder to opportunities
- Create non-work events with client – e.g. coffee, lunch, sports event, etc.



TO SUCCEED IN THIS PHASE, YOUR COMPANY MUST BE:

Founder led and managed

Your expertise and reputation will launch the firm and drive growth. You own client relationships and deal margins. Spoiler alert however – you'll also become the bottleneck as the firm begins to outgrow this first phase.

EXPERTISE



TALENT

- Hire senior practitioners who will exceed client expectations
- Hire exceptional junior talent
- Develop juniors to mid-levels who drive the business

CULTURE

- Founder(s) create set of principles to guide culture
- Create a crisp statement of the mission of the firm (why does it exist?)
- Weekly all hands
- Leadership 1:1 meetings with employees
- Your actions set the culture more than any comms will

MANAGE CHANGE

- Identify key areas of the firm to improve
- Experiment with new approaches in short "sprints" (~2 weeks)
- Run sprint retrospectives
- Invest more in improved areas, try alternatives in areas that didn't improve
- Repeat

FOUNDATIONS

ICP & PERSONAS

- Define your Ideal Customer Profile (ICP)
  - Size of client
  - Industry
  - Behavior (e.g. fast-growth, large spend on tech, etc.)
  - Geo region
- Target ~500 companies to enable ABM
- Define personas within your ICP
  - Decision makers
  - Influencers

MARKET

- Build a market map of your current segment and adjacent segments
- Break your segment into sub-segments based on approach
- Identify the number of companies in your sub-segment
- Determine where your approach is on the tech adoption curve
- Make sure you are early on the curve (early adopter or close)

FUNDING

- Bootstrap if possible – this immediately aligns your firm with market demand and gives you the most ownership
- Clients before funding if bootstrap isn't possible – the more you can prove the model first, the easier it will be to raise funds and the more ownership you'll retain
- Seek venture funding – seek a venture partner who is aligned with your mission. Check how they behave when things go badly

DIFFERENTIATION

- Crisp "why?" statement for the firm
- Large TAM, tight ICP
- Solution in the early adopter phase of tech adoption curve
- Client/prospect validation of need for solution
- Pitch your differentiation to see if prospects will buy it
- Iterate on your "why?" until customers say you're clearly differentiated
- Create a "Three arcs" model

OPERATIONS

TECH STACK

Accounting software



Lightweight CRM



Project Intelligence Platform



BACK OFFICE

- Outsource Accounting + bookkeeping
  - Outsourced accounting team owns generating invoices and sending once the founder approves
- Retain a fractional Controller
- Founder or client lead will need to chase late paying invoices



Less admin.  
More margin.

Projectworks is a Project Intelligence platform that automates the most boring and tedious parts of your firm.

BOOK A DEMO

Project resourcing

	M	T	W	T	F
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Bi-weekly conversations on the stuff keeping consulting leaders up at night

SAVE YOUR SEAT

SCALING A CONSULTING FIRM | CHEAT SHEET

USD \$5–25 million revenue

Before AI: 40–250 employees | With AI: 20–125 Employees

ALWAYS HAVE ADVISORS

Look for advisors with operating experience

- Either operators who have scaled a business similar to yours successfully or
- Operators who have been in buyer roles in companies in your ICP
- Advisors help you shape the firm – you want people who can give you very concrete advice on the people, processes, and technology that will allow your firm to keep scaling

Your advisors should help you scale the firm

- You want advisors who will use their personal networks to give you leads for new clients.
- You want advisors who will dig in and work with you to generate new leads. They can help reach out to targets and open the door for you
- Have your advisors talk to customers without you present. Have them ask customers why they buy from you.

A lot of advisors look great on paper, but only a few of them work out to really help you shape the firm or scale the firm. Go into the process realizing that this will happen and build your advisor team over time based on who is adding the most value.

Consider your most valuable advisors as candidates for board members as you grow the firm.

BOARD OF DIRECTORS

Have a board of directors if your corporate structure dictates – for example if you’ve taken investment you’ll likely set up a board to give your investor(s) a voice in the business.

Keys for success when working with your board of directors:

- Align with the board on what the company objectives are (are they looking for an exit down the road? Are they looking for a profit payout every year?)
- Be specific about what levels they hope to achieve (e.g. what kind of multiple in the return? How much per year in dividends?)
- Align on which decisions you’ll own and which ones they want to weigh in on (always good to present a proposal for this so that you know which you want to make sure to keep control of)
- Determine cadence for both reporting and meeting. Early on, both reporting and meeting are probably monthly. Later, monthly reporting and quarterly meeting is more typical
- Create a board of advisors to help you grow the business and scout for future independent board members

North star

GOALS

- Establish firm differentiation
- Build initial leverage layer
- Prove repeatable growth
- Develop methodology

BRAND

- Pitch with a distinct POV
- Create a provocative tagline that will help you standout and which captures your “Why?” statement
- Build authority as thought leaders
- Client advisory board

CORPORATE DEV

- Chat with inbound bankers – understand multiples in your niche – going up or down?
- Chat with inbound strategics – build the relationship
- Consider small “tuck in” acquisitions – build a relationship with vertical-specific (boutique) bankers

FOUNDER / CEO

- Changing your role and how you operate is key to moving from phase 1 to phase 2.
- Your bandwidth (or lack of it) is what held the company back in the last phase. You need to find and hire someone you trust for each of the key areas outlined in the Leadership team section below.
- You also need to effectively delegate things that you had previously owned as much as possible.
- Let your leadership team drive the key processes and create close-to-final results
- You can maintain the final approval for everything.
- You’re effectively looking to extend your expertise as widely as possible while still being able to leverage your experience to drive the firm forward. Its a tricky balance.

AVOID

- Being on the early part of the adoption curve
- Hiring people who aren’t revenue-generating
- Too many low gross margin projects/clients
- Don’t hire a strategy leader. Your firm is too small for a dedicated strategist. This is your job and your leadership team should be active contributors to this.

THE WALL YOU’LL HIT

Bandwidth of the founder’s direct reports for sales and delivery

SUCCESS IN THIS PHASE IS DRIVEN BY THE FOUNDER AND THEIR:

Leadership team

You need to find someone you trust for each of these functions. Each of these people should be hands on in the business.

SALES & MARKETING

- You need a person who can own prep, execution and follow-up for every key sales meeting.
- They also own your marketing strategy (see GTM section below).
- This person is responsible for client relationships.

DELIVERY

- This person should be the owner of deal margins, project expectations and managing the team to exceed them.
- This person should also be great at dealing with escalations, to take a challenging task off your plate as much as possible.

PRACTICE LEADS

- You should be hiring senior leaders in your key practice area(s). Ideally, these people should be industry recognized thought leaders.

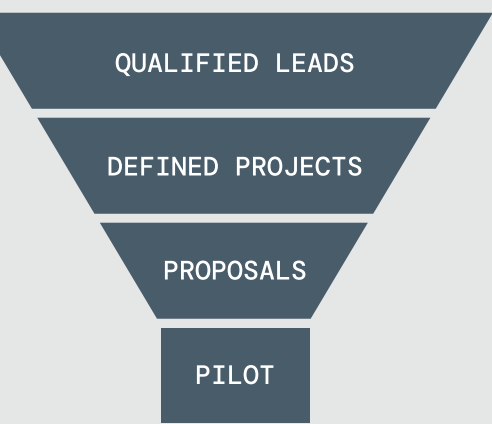
FINANCE & HR

- Covered in more detail in the Back Office section below

GO-TO-MARKET

DEMAND GEN

- Content-based – Multi-platform
- Local events, sponsored dinners (gather peers)
- Host client workshops
- Pay-to-play lead gen events
- Company socials – primarily LinkedIn



HUNTING

- Opportunistic ABM – identify, pursue key accounts
- Sales socials – primarily outreach on LinkedIn
- Get current clients to refer new clients
- Follow client contacts to new companies
- Create uncapped comp plans for hunters

DELIVERY

Create a playbook for how you want your team to execute engagements

Give the methodology a memorable name

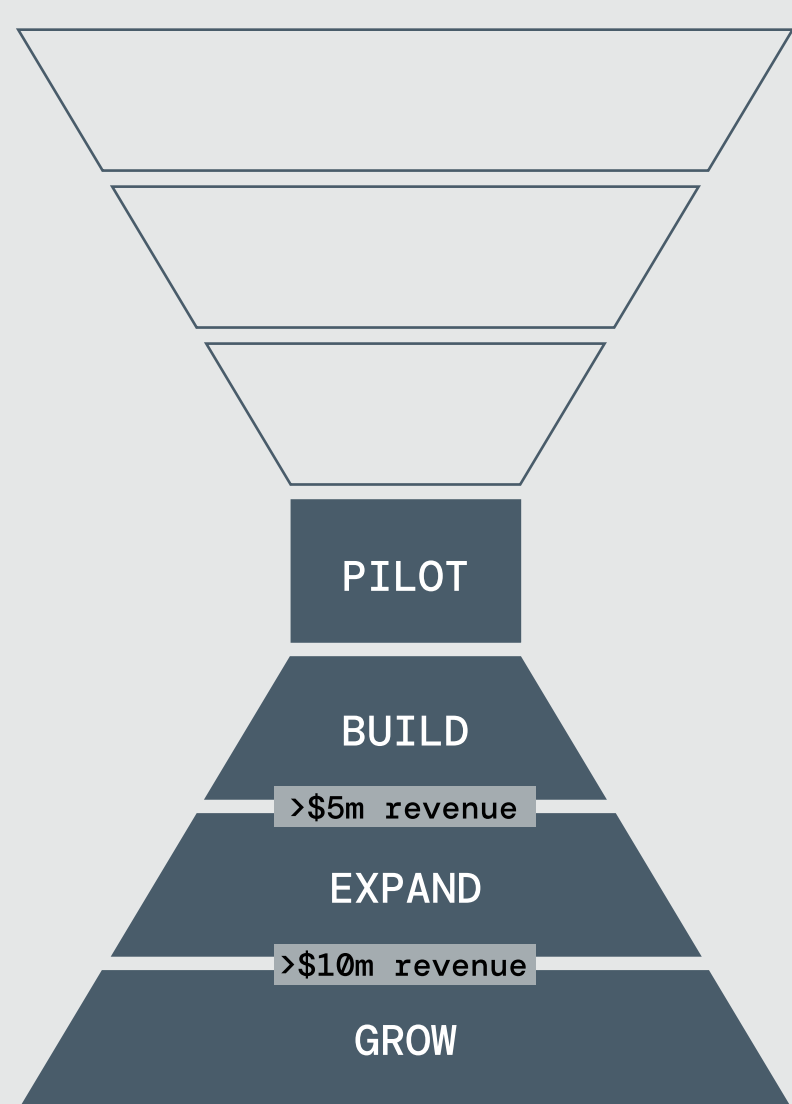
METHODOLOGY

Continue to update deliverables and templates

Publish the methodology in a form that can constantly evolve (e.g. a wiki)

FARMING

- Align comp plans to growth and margin
- Practitioners take the lead on growing accounts
- Unsolicited proposals
- Overload your first team at a new client with talent to wow them.
- Install a senior account leader from the beginning of a client relationship



EXPERTISE

TALENT

- Add consulting directors – senior practitioners who grow into revenue leaders
- Add client partners – experienced practitioners with account leadership and farming skills
- Hire/develop juniors
- For new offerings, hire a team that can deliver for one client
- Develop “Challenger” approach to convert prospect interest to your differentiation
- Run team workshops to develop challenger skills
- Objective measure of whether you’re selling your differentiation

CULTURE

- Leadership team revisits the culture principles and updates
- Streamlined comms / meetings plan
- Create memorable tagline to capture mission
- Hold your leaders accountable to the culture
- Align culture to how your firm will win in the long run

MANAGE CHANGE

- Continue to identify areas of the firm to improve
- Focus on reducing friction for clients, employees
- Apply the sprint/retro approach with a small team to a single area
- Roll out improvements to other parts of the firm once proven in a small area

FOUNDATIONS

ICP & PERSONAS

- Load your entire ICP into CRM
- Enrich the data
- Score your ICP
- Engagement with outreach
- Openness to new partners
- behavioral fit
- Prioritize ABM efforts to top-scoring companies in the ICP

MARKET

- Identify other players who offer (have mastered) your approach
- Identify the signals to watch for to see when the market moves to a new phase (e.g. mainstream clients, Global firms adopting, Global firms beginning to buy competitors)

FUNDING

- Fund growth with operating profits

DIFFERENTIATION

- Refine solution with “Three arcs” model – define aspirational state
- Revenue confirms inner arc
- Client projects in middle arc
- Prospect/client confirmation of outer arc
- Define concrete metrics to measure performance in each of the arcs

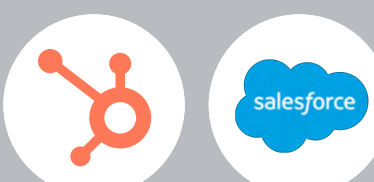
OPERATIONS

TECH STACK

Accounting software



Scalable CRM/Marketing Automation

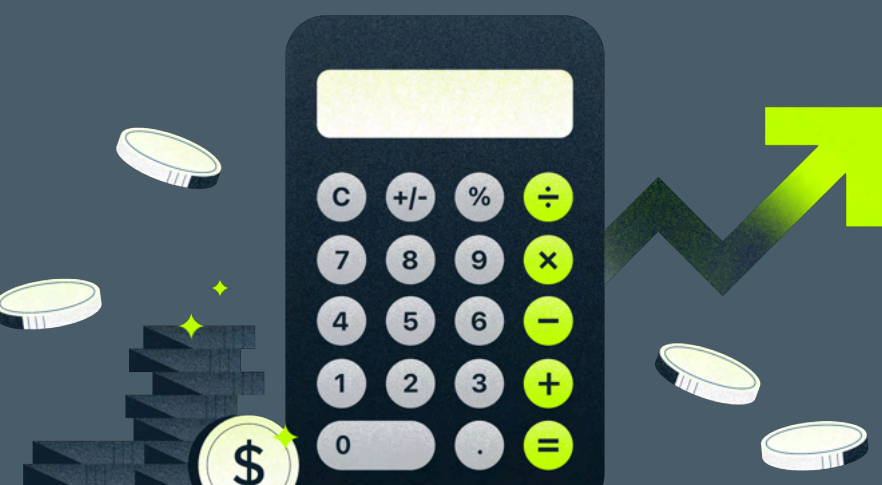


Project Intelligence Platform

PROJECTWORKS

BACK OFFICE

- Retain a fractional CFO
- Outsource back office operations – they own own generating and sending invoices (with client partner approval)
- Client Partners will need to chase collections issues
- Retain a fractional COO
- Retain a fractional HR lead and team



Less admin.  
More margin.

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BOOK A DEMO

PROJECTWORKS

Project resourcing

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THE Z-SUITE

Bi-weekly conversations on the stuff keeping consulting leaders up at night

SAVE YOUR SEAT



SCALING A CONSULTING FIRM | CHEAT SHEET

USD \$25-\$150+ million revenue

Before AI: 250-1,250 employees | With AI: 125-625 Employees

ALWAYS HAVE ADVISORS

- Continue to refine your advisor team until you can cover three key areas:
- Industry thought leadership – can they push you on your positioning in the market?
  - Build your client base – do they have a network that they are actively bringing to your firm?
  - Can they push you on operating and scaling your firm?

Don't be afraid to rotate out the advisors that aren't adding value or don't really have time to help you.

At this stage, you should have some strong candidates for an independent board member – they can be invaluable as you scale and hit issues.

BOARD OF DIRECTORS

As CEO, you should lead the board. Set the agenda. Tell them where you need the most help. Pre-publish the metrics so they can digest ahead of time. Spend the board meeting solving challenges for the firm.

Use a milestone to reset expectations with the board

- This milestone could be a revenue number or start of a new year.
- Key objectives from the board on what success looks like, such as an exit, or profit distribution

Run a deeper dive strategy session with the board once per year

- Build the strategy update with the leadership team and then review / update with the board.

Appoint an independent board member

- They will be valuable down the road if founder and investor agendas diverge.
- They will always stick to the best interest of the company to resolve.

Consider setting up specific committees on the board to own key areas

- Comp committee – reviews your compensation as well as that of the executive team
- Audit committee – owns reviewing the financials and guiding you on when to move to reviewed or audited financial statements

North star

GOALS

- Build market leadership
- Create decentralized org
- Prove and expand methodology
- Master predictable revenue growth

BRAND

- Pitch with distinct POV for sub-segments of ICP
- Content to define industry position (podcast, blogs, book, etc.)
- Client conference

CORPORATE DEV

- Chat with inbound bankers + check in with bankers who have previously reached out
- Figure out where your vertical is in the curve and whether the GSIs are already buying firms in the space
- Chat with any inbound strategics
- Look for small to medium acquisitions you can add to your firm to get to scale faster

FOUNDER / CEO

- You're now building the executive team that will really scale the firm.
- They should be capable of leading a large team and operating as a second level manager.
- Even though they won't be hands on in the business, you want people who are tightly connected to their team and really understand what's happening day-to-day in the area.

AVOID

- Hiring people who aren't directly contributing to revenue
- Over investing in back office team, technology

THE WALL YOU'LL HIT

Non-scalable leadership structure (leader's direct reports max out)

Executive team

REVENUE CHIEF REVENUE OFFICER

- This role expands to now include brand, demand generation, and sales (both hunting and farming).
- With practitioners as client leads, they will report into this role
- This person owns your end to end go-to-market.

DELIVERY CHIEF DELIVERY OFFICER

- This role oversees all of the practice areas of your firm
- They must come from a practitioner background and have the deep respect of your team and your clients

PEOPLE CHIEF HR OFFICER

- This person oversees everything related to your employee base: recruiting, culture, professional development, and retention
- This is a people business, so this is a key role

FINANCE CHIEF FINANCIAL OFFICER

- This is an area where you may choose to continue to outsource.
- You need someone who deeply understands the business and can give you the insights you need to run it, but you may choose to use an outside firm to provide this

OTHER OTHER AREAS

- Depending on the nature of your practice, it might make sense to have someone who oversees a new area of delivery that you want to have more direct communication with as that part of the business is nascent.
- There will be other key areas as well that you need help such as legal, but this can be effectively provided by outside counsel.

General Managers

This is the layer that will allow you to move beyond you being the bottleneck with your leadership team. They own both client relationships and deal margins.

A simple way to think about it is that each of these people can now build a part of the business that can scale to ~250 people before they become the bottleneck. With 5 – 7 of these people, you will vastly expand your firm's capacity.

Initially, it makes sense to hire these people directly to report to the CEO. Fairly quickly, you'll need to have them report to someone on the executive team (either the CRO or the CDO depending on whether you've grouped the business by go to market or practice area)

1

Find the most logical way to break apart your business. This could be by geographic region, by vertical industry of your clients, or by the key practice areas.

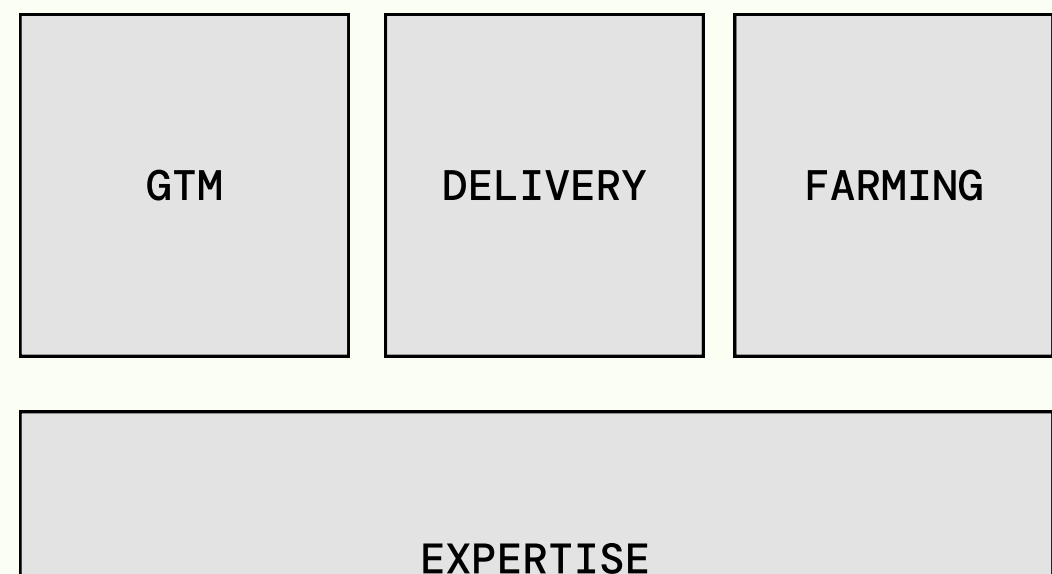
2

Find a senior, multi-function executive that can oversee each key section of the company.

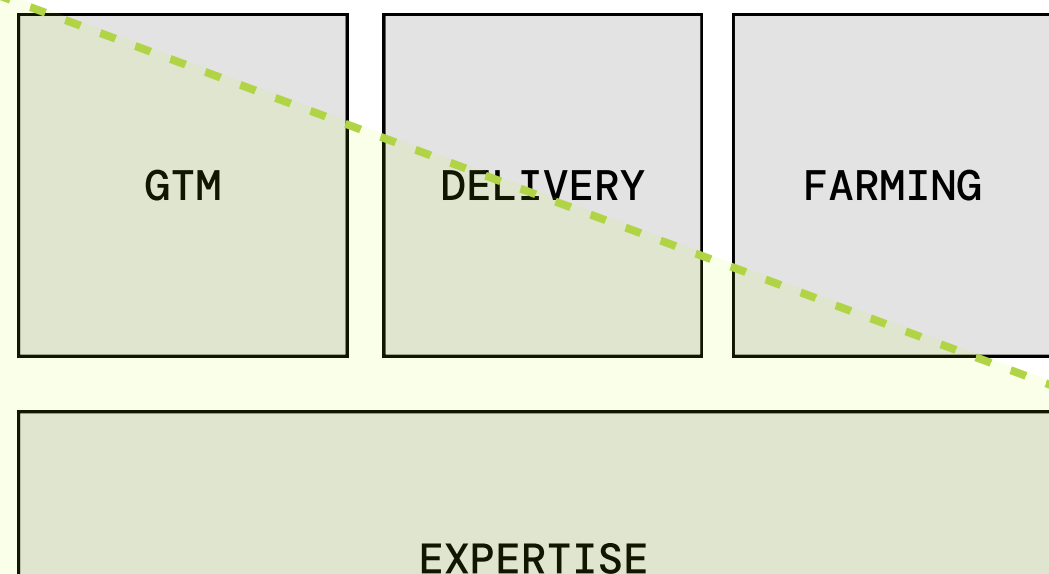
3

They will build a leadership team to extend them the same way your leadership team extended you in phase 2.

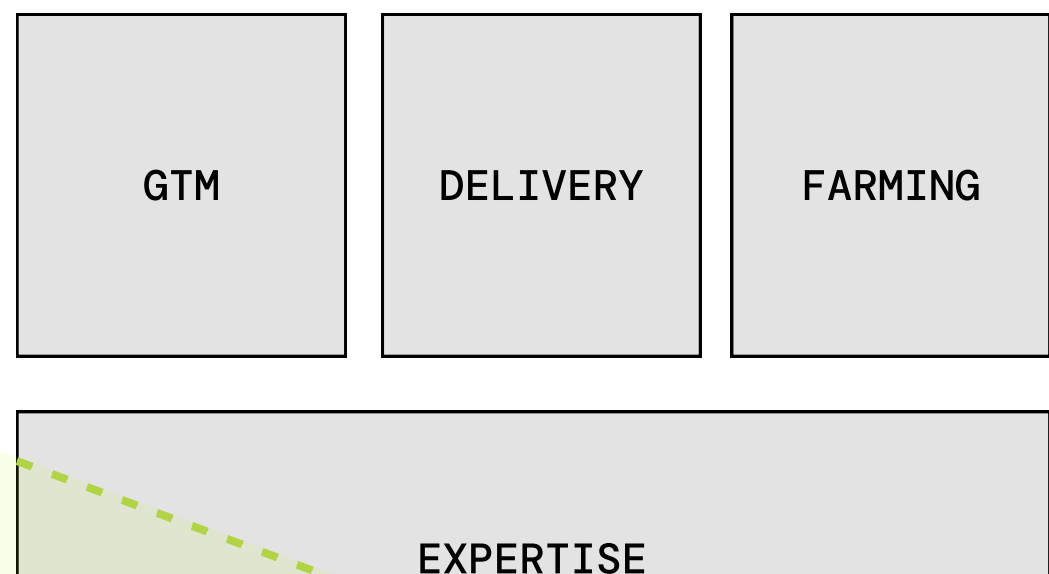
General Manager



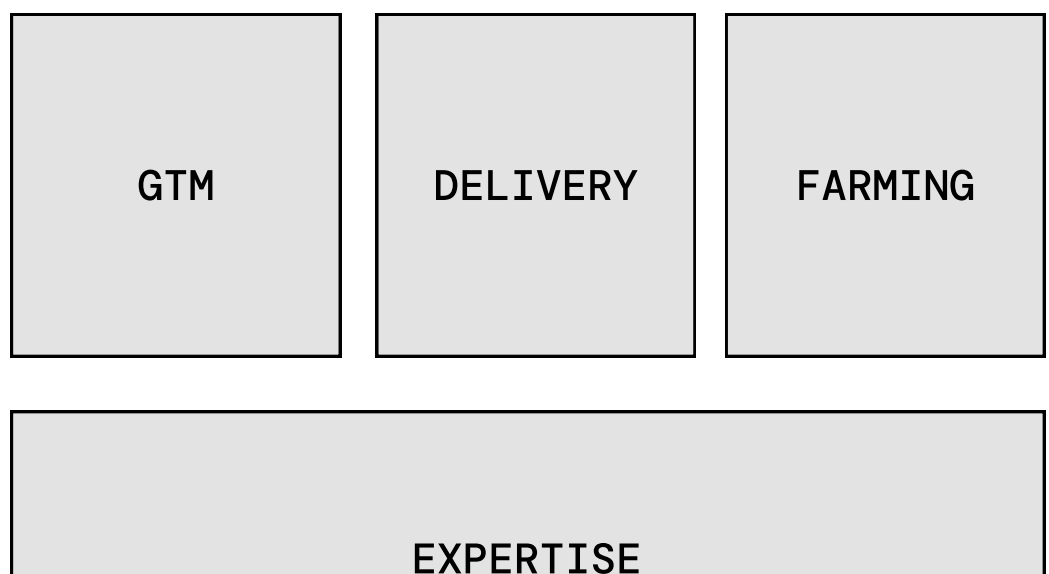
General Manager



General Manager

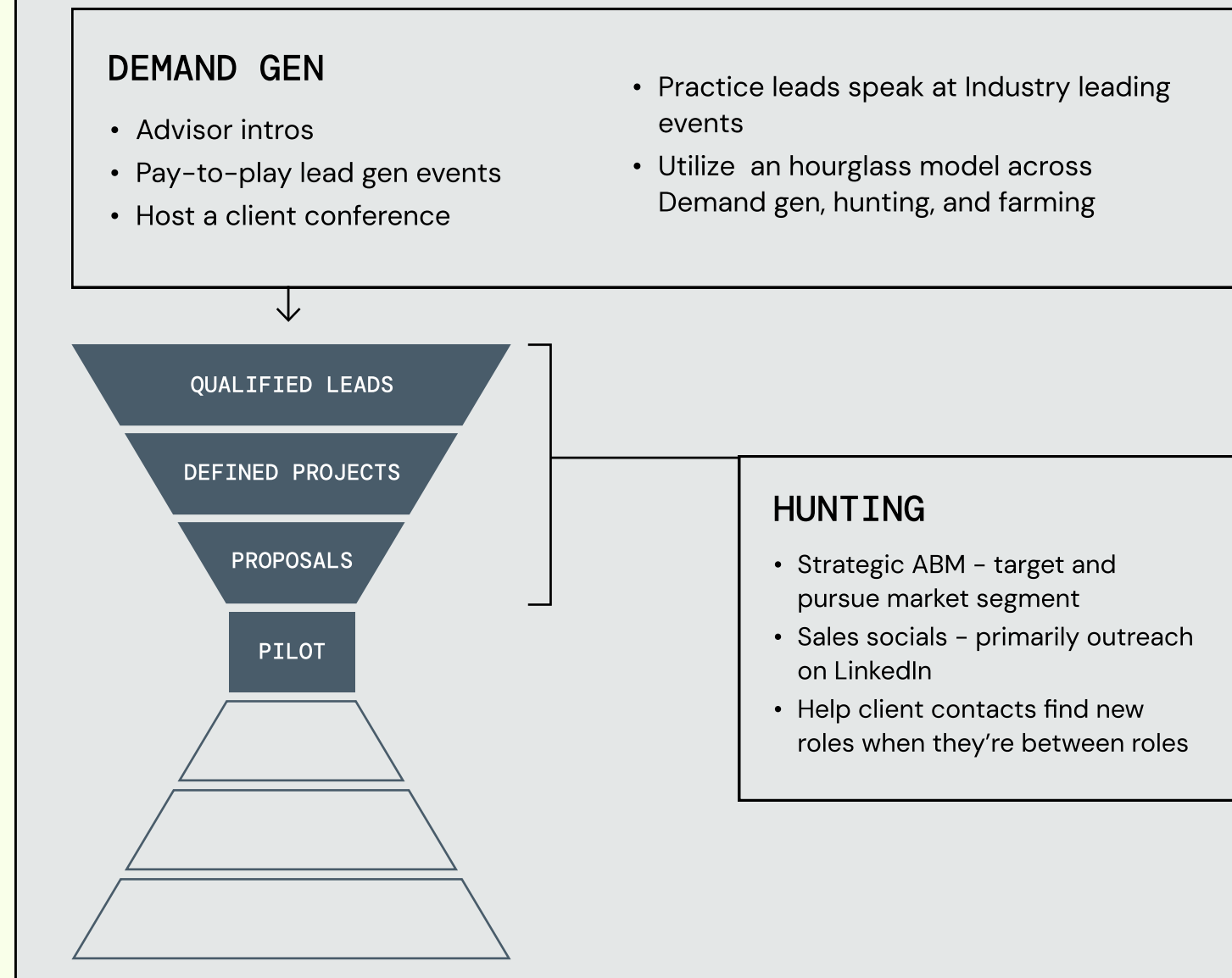


General Manager

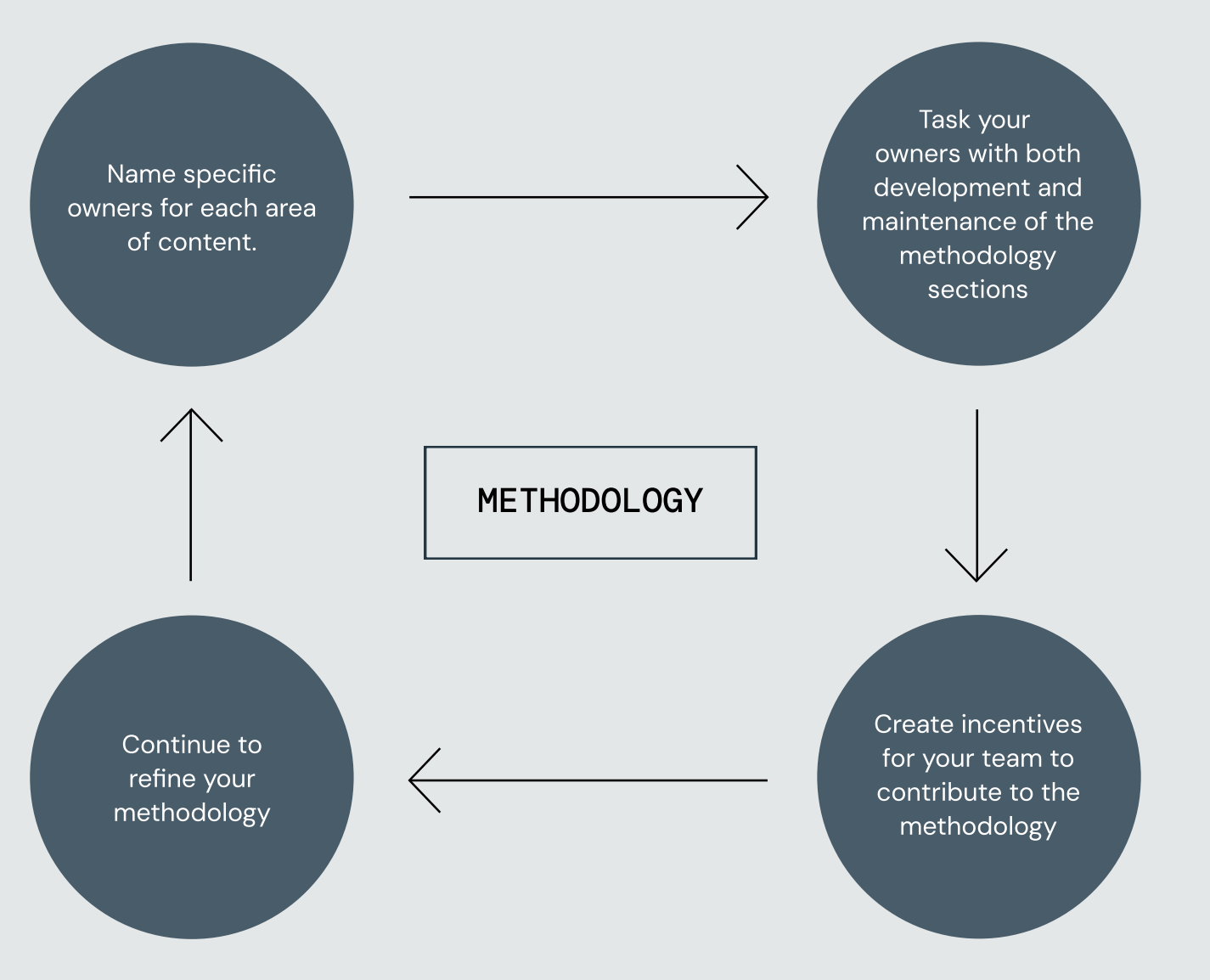


Below is an expanded view of each GM's area of ownership

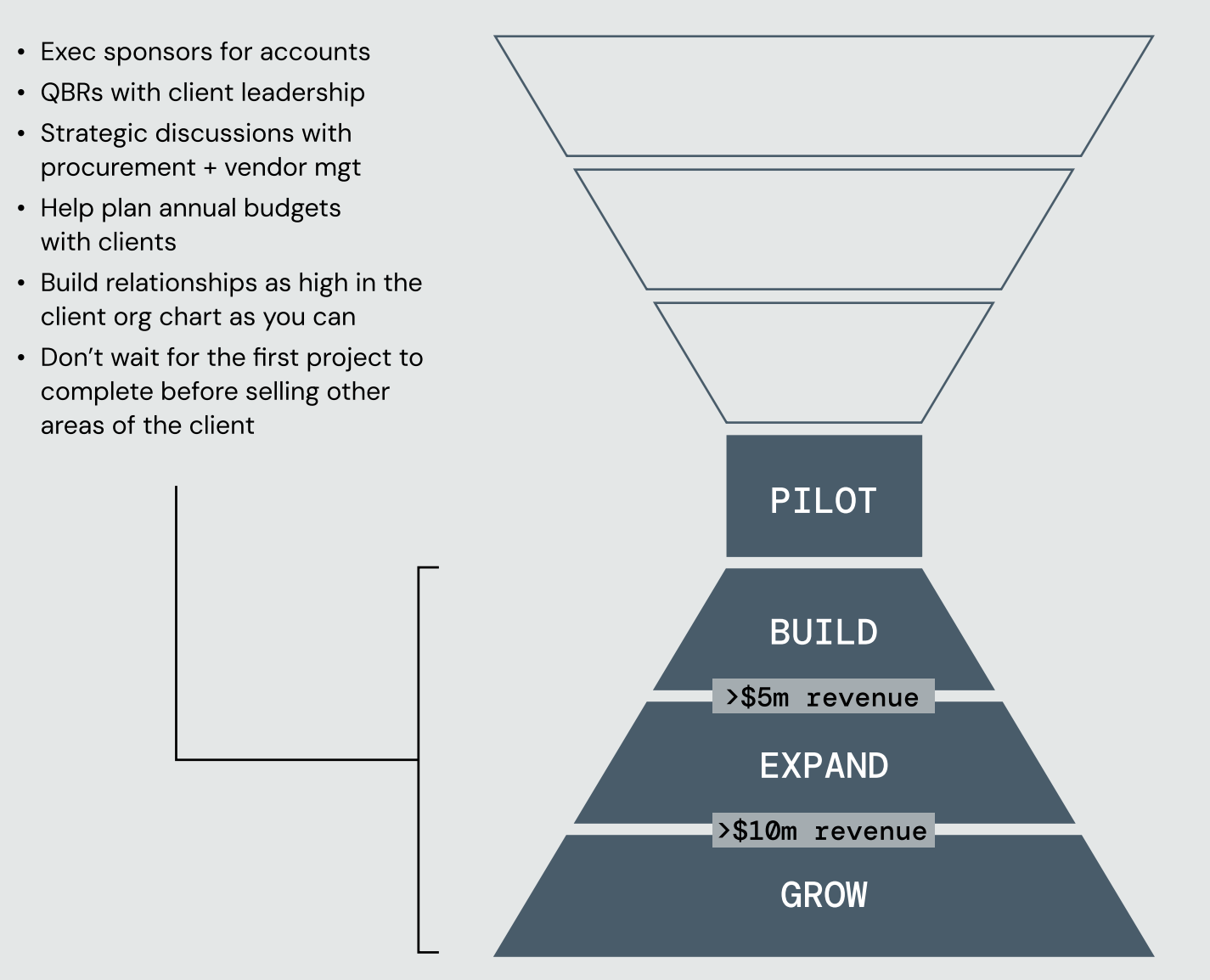
GO-TO-MARKET



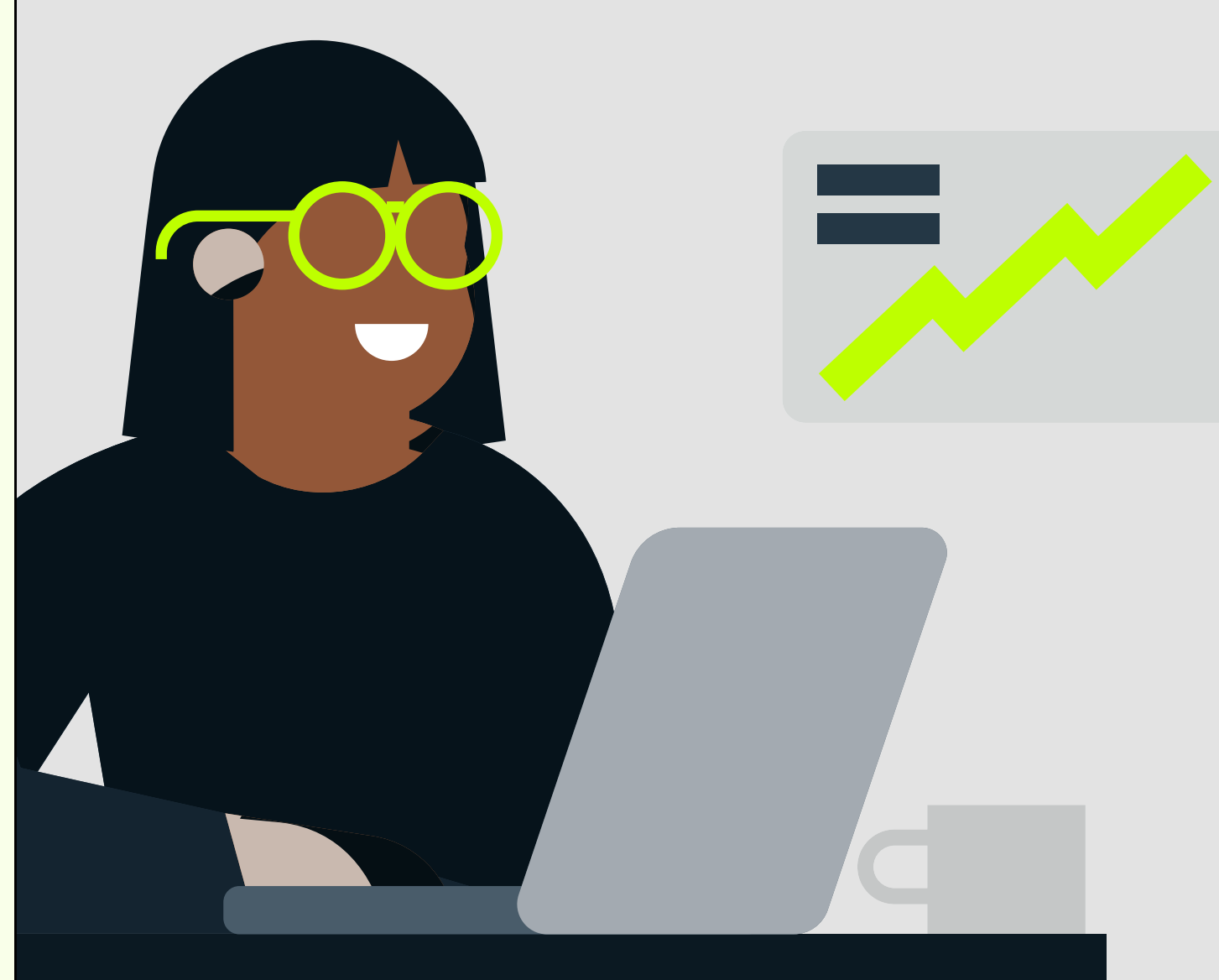
DELIVERY



FARMING



EXPERTISE



TALENT

- Hire practice leads who are (or can be) industry thought leaders
- Add general managers – experienced account leaders ready to drive P&L for a region or industry
- Constantly refresh/develop juniors

CULTURE

- Revisit culture principles with extended leadership team
- Look to see your leaders holding each other accountable to the culture
- Identify books / models for how your team will succeed and share with the whole company
- Think about your firm as a team and the culture as a description of how that team will win in the long run

MANAGE CHANGE

- Apply the sprint/retro approach in three levels:
- Experiment with a single team
- Apply improvements to several teams
- Roll out proven improvements to all teams
- Create a mindset – fixing 1,000 small things creates a machine that operates effectively.

FOUNDATIONS

ICP & PERSONAS

- Expand your ICP
- Add one or two adjacent sub-segments
- Relax one of your constraints (e.g. industry, behavior, etc.)
- Load the new expanded ICP companies into CRM
- Enrich the data and re-score across your expanded ICP
- Larger team should allow you to pursue ABM across multiple facets of the expanded ICP

MARKET

- Be ready to respond when your market moves to each new phase
- To early mainstream – will you sell the firm or look to reinvent to participate in the next growth curve?
- To late mainstream – act within a year – either sell if possible or reinvent

FUNDING

- Differentiate healthy core business from investments (startup service lines)
- Funding is most useful to fuel growth by acquisition. While it can be more efficient to hire and grow a new practice area internally, it typically takes longer (often two plus years)
- When you need to add a capability, geographic region or other tuck in, raising money and acquiring that capability is the best approach.

DIFFERENTIATION

- Revisit arcs – move middle arc to inner arc and outer arc to middle arc
- Push outer arc to be ahead of the market
- Revisit the metrics in each of the arcs to make sure you're still measuring effectively

OPERATIONS

TECH STACK



BACK OFFICE

- Evaluate whether your outsourced accounting and operations teams can keep scaling
- Consider a more scalable partner or building an in-house finance and ops team

Less admin.  
More margin.

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