

WHY YOU MUST THINK LIKE A BUSINESS ANGEL

Akeydor Limited is a software house, a consulting and training company exclusively working with information technology professionals. We provide individual consulting, we develop and facilitate company ideas and workshops to enable clients become market leads. We use many different software products/services because we perform many different jobs and because our processes are extremely digitized, but can also be carried out manually depending on the job.



Most companies accept that some customers are not happy. The vast majority of companies leave it to their customers to get the most out of their products and services. The independent management consultant doesn't have any of these "luxuries."

Just like any other business entity in a capitalistic market economy, the independent management consultant continuously fine tunes his business model to deliver the highest possible return on the resources he has available.

The resources of an independent management consultant are himself, his genius, his approaches (intellectual property) and his personal network.



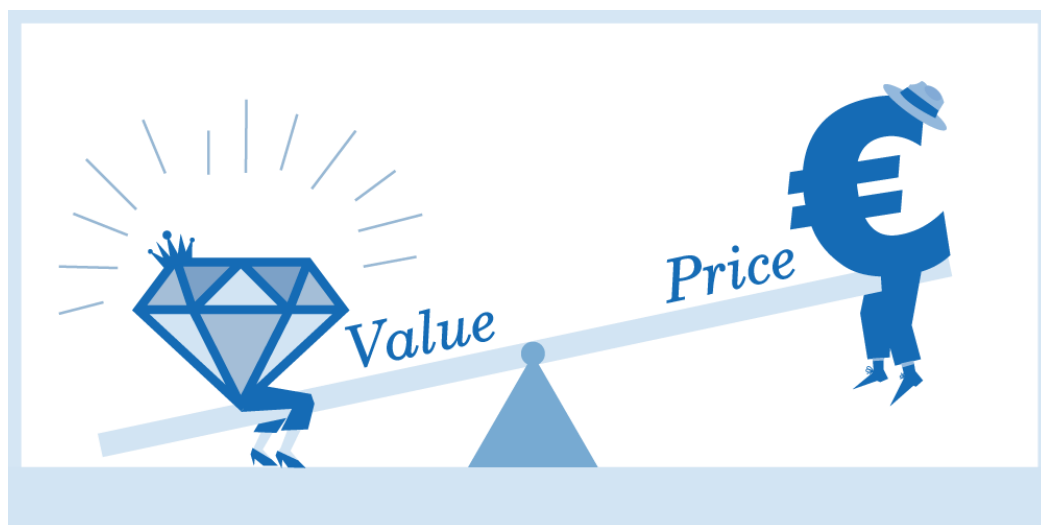
Reviewing potential engagements, the independent management consultant will qualify them carefully and select those where the RoI is most promising considering the overall risk, probability of a successful outcome and remuneration. Any project that fails will most probably not provide additional business and cannot be used as a reference in the future. These failing projects have a very high “price” for the independent management consultant. A price that he alone must pay.

CONSULTING ENGAGEMENTS ARE LIKE INVESTMENTS

The independent management consultant must apply a set of qualification “filters” similar to those a business angel uses when considering a potential investment.

Business angels and venture capitalists invest in one out of every 500 - 1.000 opportunities they are exposed to. The reason, obviously, being the tremendous risk of failure proven by the historical track record of new business ventures.

The risk facing the independent management consultant may not be so dramatic. Most independent management consultants do not work for start-ups or other highly unpredictable business ventures. The risk is simply too high.



In qualifying his engagement opportunities the independent management consultant must be convinced that he can actually improve his client's condition within the time-frame needed. He must also be convinced that the value of the improvement is way beyond the fee that he will charge for driving the project. Projects generating little or invisible value will seldom generate large and recurring consulting fees.



The risk is not related to the independent management consultant himself, but to the client and the nature of the client's situation. The independent management consultant is called upon when major changes are required. Before commencing on the assignment it is always very difficult to precisely predict what it takes to deliver the changes needed. The independent management consultant therefore must trust that the client is willing to accept the measures identified throughout the project and that the client is capable of executing the measures required to deliver the results.

This pre-assignment assessment is very similar to the assessment made by the business angel. Because when business angels fail they not only lose money, they also lose a portion of their reputation. You can always make another dollar, but building a reputation is much more cumbersome.

Work by Hans Peter Beck.