



CO MATCH

The DNA of the Independent
Consultant

Survey 2017

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1. The Initiators And The Setup Of The Survey

- a) An international research cooperation in order to understand the drive and working situation of independent consultants
- b) The biggest European survey among independent consultants

1a) An International Research Cooperation In Order To Understand The Drive And Working Situation Of Independent Consultants

This survey is a cooperation between **COMATCH – The Consulting Marketplace** and **Prof. Dr. Dietmar Fink**.

COMATCH is the **online marketplace** founded by **Dr. Christoph Hardt and Dr. Jan Schächtele** in late 2014 **matching independent consultants** with companies in need of external support. It is based in Berlin, with offices in Amsterdam, Copenhagen, Paris and Dubai.

Dietmar Fink is a professor at the **University of Applied Sciences Bonn-Rhein-Sieg** and the **president and owner of WGMB**. In the past he held responsible for several surveys and studies, such as “Hidden Champions”, together with BILANZ (CH) or “Consulting Impact Study” in cooperation with Manager Magazin (GER).

The design of the questions was supported by Christoph Rasche (Professor at Universität Potsdam), Valérie Gauthier (Professor at HEC Paris), Ard-Pieter de Man (Professor at Vrije Universiteit Amsterdam and dean of SIOO) as well as Flemming Poufelt (Professor and associate dean of Copenhagen Business School).

1b) The Biggest European Survey Among Independent Consultants

The survey was conducted among the consultants registered at COMATCH. This network consists **of independent consultants with at least 2 years of experience in well reputed consultancies and of industry experts with at least 10 years of experience in a certain industry**. All registered consultants passed a two-step-qualification check (CV check and personal interview).

The survey was sent to 1599 recipients via netigate, an online survey tool, and ran from December 19th 2016 until January 15th 2017.

430 participants* from 22 different countries of residence answered at least one of the questions, which means a participation rate of 27%.

As we are not aware of a bigger study of its kind among this target group we regard this survey as **the biggest European survey among high end independent consultants**.

Results from sections 4 & 6 show statistical significance (based on Chi-Square-test, Mann-Whitney test etc.) and can be generalized. All other findings are distribution-based and reflect the characteristics of our sample only. All statistical analysis can be received upon request.

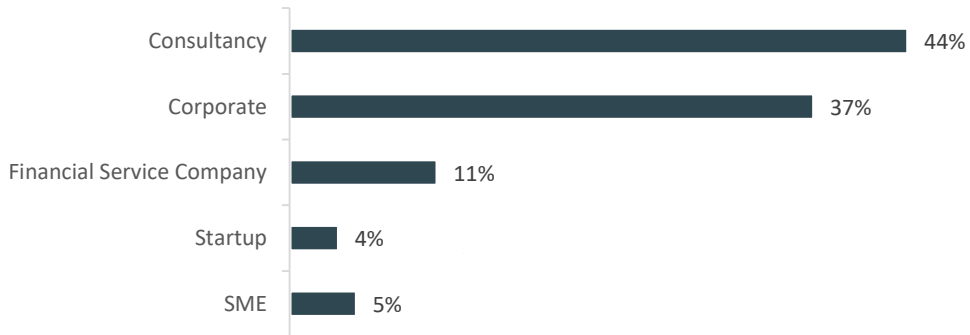
Findings based on gender and for Dutch consultants within the sample are available upon request.

*420 data sets are valid.

2. Characteristics Of The Sample



What was their last job before becoming ICs?



ø 1240 EUR / day



1290 EUR/day
131 d worked/y

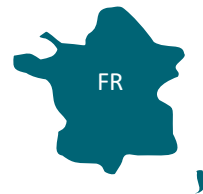
ø 150k EUR / year



1240 EUR/day
68 d worked/y



1170 EUR/day
121 d worked/y



1030 EUR/day
102 d worked/y

n for DACH: 215 / Nordic: 14 / NL: 29 / France: 15 / please note: no statistical significance when n <30

3. „I Wanted To Be My Own Boss“: Motives For Becoming An Independent Consultant

- a) To choose their own topics; when, how much and for which client they work for matters most
- b) Quotes from the sample

3a) To Choose Their Own Topics; When, How Much And for Which Client They Work For Matters Most

Why do consultant leave the security of well-paid jobs and start a career on their own?

In short: It's the **freedom to decide. To choose the topic of a project and pick when, and for how long**, as well as **with whom, you work** are the major three motives named by the sample.

- Independent consultants developed a specific expertise throughout the years which they want to use and deepen in the projects they accept
- To work fewer or more hours as well as with more flexibility is attractive for them
- Additionally, the freedom to pick a client freely is a major drive for consultants
- The longing for more responsibility is as important for some as it is not important for others – we see an equal distribution here
- Money as a motivator is a less important drive for the consultants in the sample
- Missing career alternatives are of minor importance: Finding a new permanent job mattered only for a small percentage
- The wish to travel less is not as decisive as assumed - it seems like travelling is something consultants actually like and regard as part of their profession

How important were the reasons below for your own decision to go freelance?



n=321



Independent consulting is a deliberate choice, not a compromise

Not only do we see that finding a new challenging permanent position was less important as drive, but we can also state that two-thirds of the sample (67%) quit their last job while only 15 % were laid off by their last employer.

3b) Quotes From The Sample

„Do things that I like and where I am good at“

„I just wanted to be my own boss without any dependencies“

„I wanted to get rid of unrealistic sales targets“

„I became a mother – consulting with kids in a top management consultancy is not possible“

„I search for more adventure than my previous employer could provide“

„To work free of corporate politics and with a greater variety of challenges“

„Dual career couple – not easy to combine“

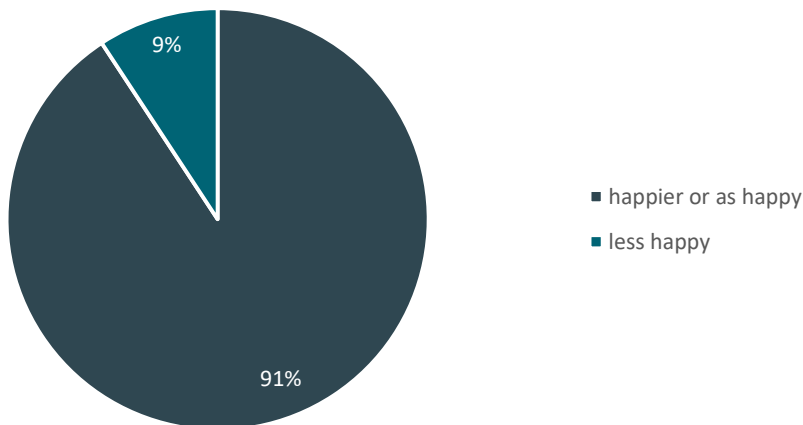
4. More Happiness, More Money, More Responsibility: What It Means To Become An Independent Consultant

- a) They are happier with their work-life-balance
- b) They make more money
- c) They have gained more responsibility

4a) They Are Happier With Their Work-Life-Balance

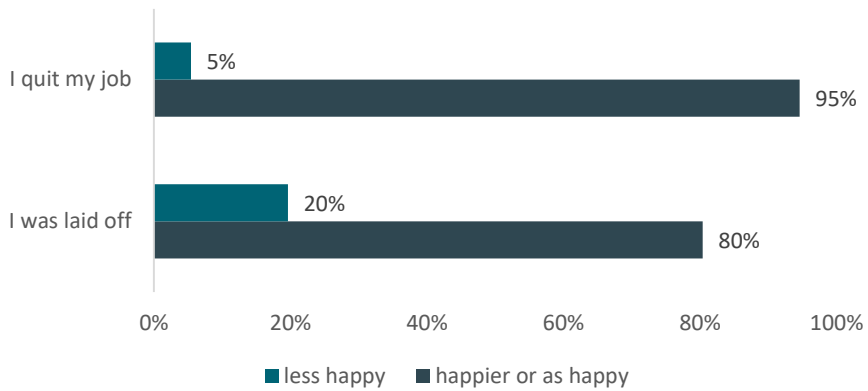
A clear **majority of 91%** of the sample feels happier or as happy as before with their work-life-balance. And it doesn't matter what their professional background looked like as an employee or whether they left their permanent position on their own terms or not: even those who were laid off evaluate their work-life-balance as better. Especially those who previously worked for a consultancy or a financial service company see improvements in their work-life-balance, probably due to the heavy workload in these fields.

A clear majority of independent consultants are happier or as happy as before



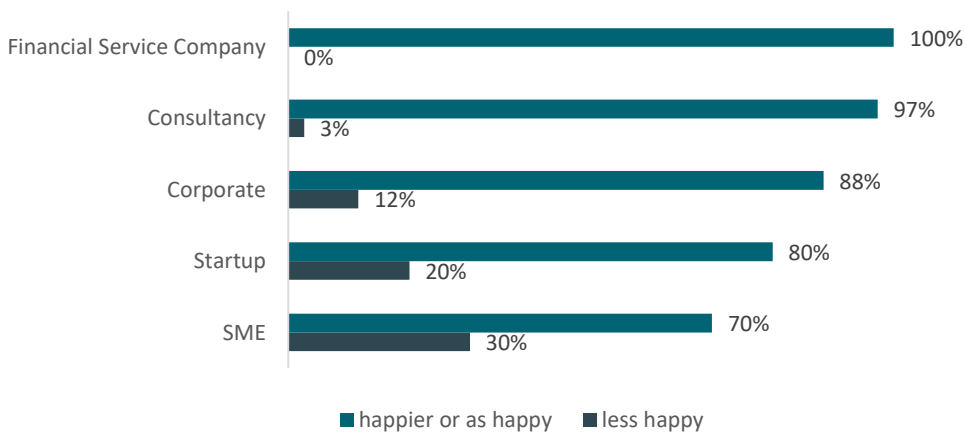
n=324

Happier now, no matter if they quit or were laid off



n=273

Happier now, no matter what type of company they left

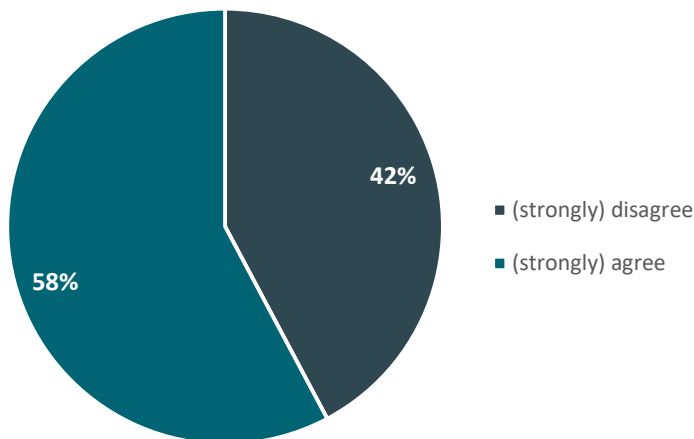


n=254

4b) They Make More Money

A majority of 58% say that they earn more money as an IC than as an employee. Also it shows that moving to independent consulting is particularly attractive for former employees of consultancies. 68% of this group agree on being able to earn more money than they used to.

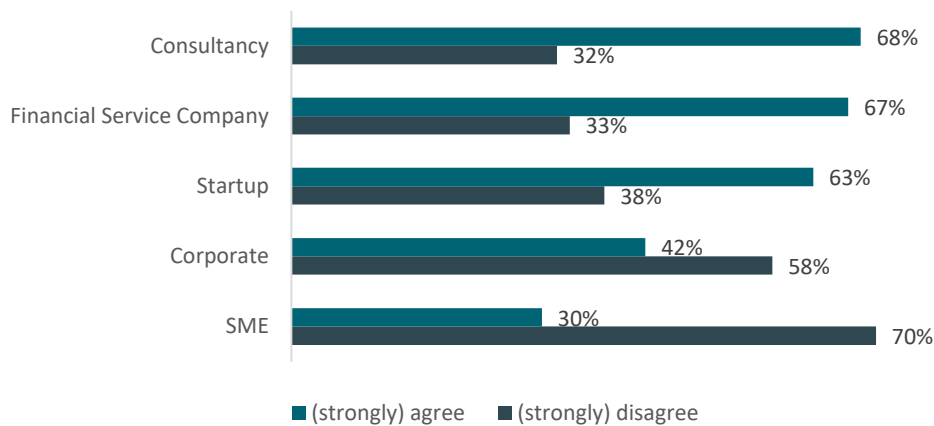
I make more money as an independent consultant
than (I could make) as an employee



n=315

Independent consultants coming from corporates or SMEs are the only groups in the sample where the majority has no increase in income. One possible explanation: 88% of the corporate group and 73% of the SME group are older than 40 (vs. 65% of the group that worked for a consultancy in their last job) and are therefore likely to have reached a high salary before becoming an independent consultant.

Answer to „I make more money as an independent consultant than (I could make) as an employee“ based on previous employer

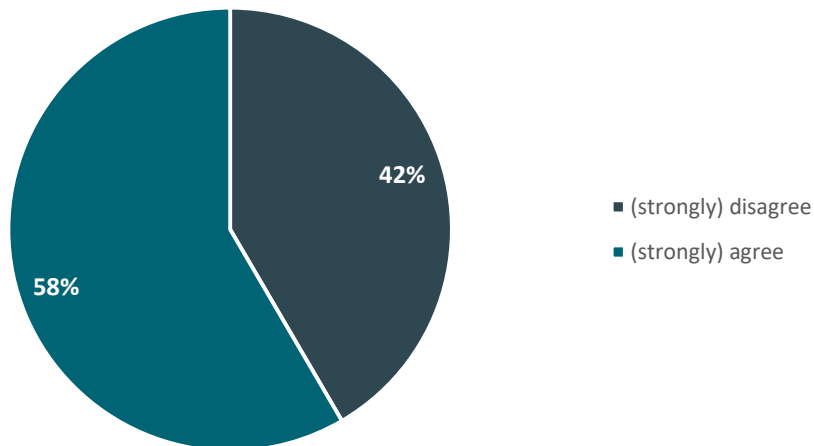


n=244

4c) They Have Gained Responsibility

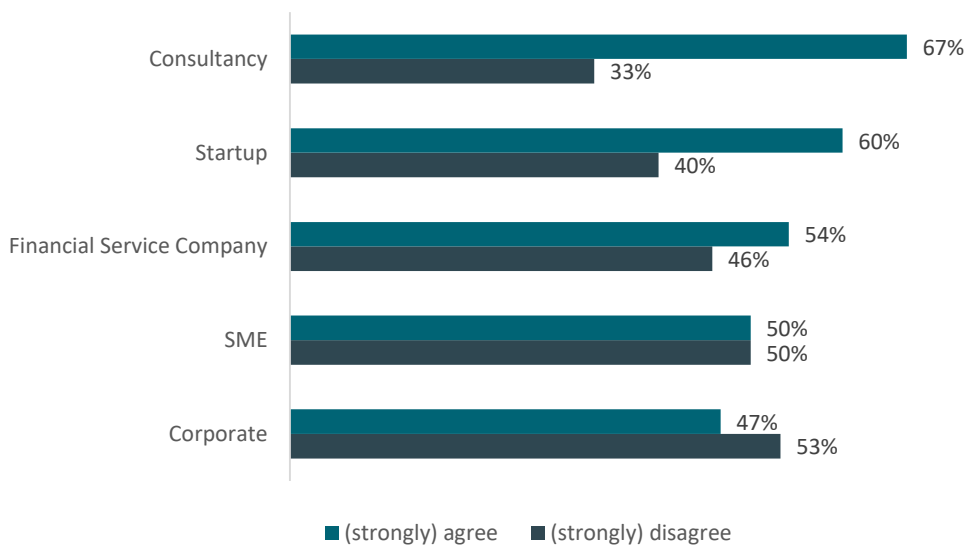
Overall, a majority of 58% in the sample state to have more responsibility than before when employed. This effect is stronger for people who worked for a consultancy before going into independent consulting. Here as well it shows that the ICs who worked for a corporate before are older on average and therefore must have had a high seniority level and responsibility as an employee.

I gained responsibility by becoming an independent consultant



n=315

Answer to „I gained responsibility by becoming an independent consultant“ based on previous employer



n=248

5. Working Reality: On Getting And Improving Projects

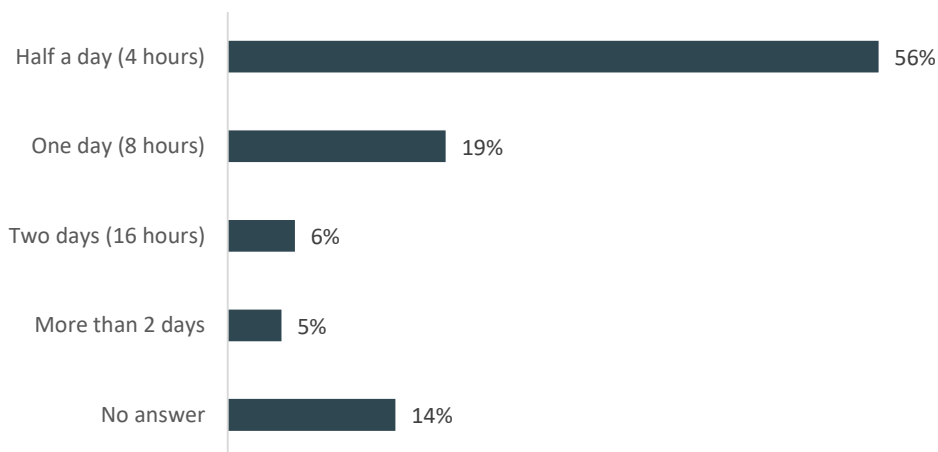
- a) The majority spend 1 day or less per week on acquisition: new projects mostly derive from previous projects and personal recommendations
- b) The ICs of the sample said „no“ to a project when timing, expertise, location or money don't match well
- c) Quotes from the Sample: Reasons to say „no“ to a project
- d) Potential for better communication between client and consultant and constant self-improvement among ICs

5a) The Majority Spend 1 Day Or Less Per Week On Acquisition: New Projects Mostly Derive From Previous Projects And Personal Recommendations

About half of the poll (56 %) spends half a working day (4 hours) per week on acquisition, fewer than a quarter spend one full day (19%).

Across the different acquisition channels follow-up projects are clearly in the lead. 84% of all votes given by the sample agree or strongly agree that follow-up projects contributed strongly to the days sold, followed by personal recommendations (by colleagues, employers or others). Online platforms and marketplaces take third position (with 48% of all answers) when it comes to successful acquisition channels - before networking at events or congresses (41% of all answers), online marketing (30%) or cold calls (11%).

Time spent on acquisition

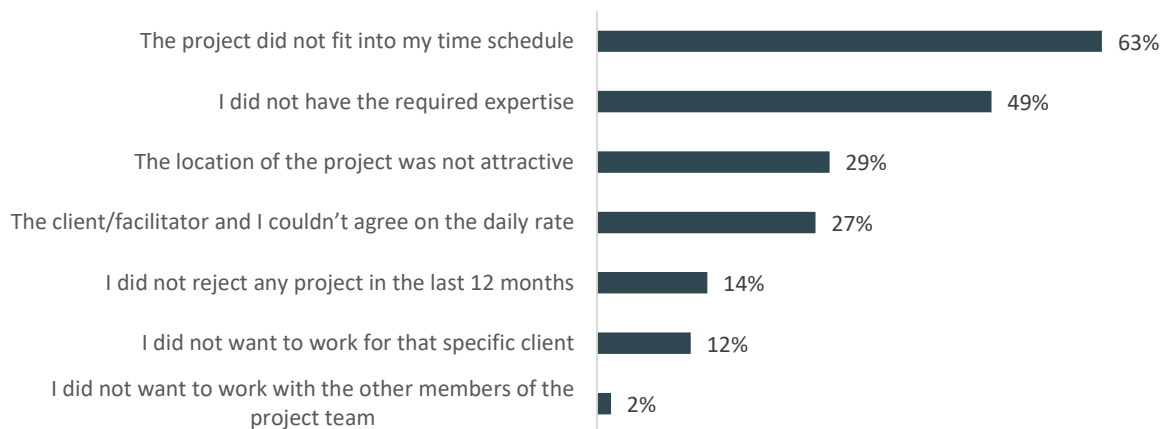


n=345

5b) The ICs Of The Sample Said „No“ To A Project When Timing, Expertise, Location Or Money Don't Match Well

The main reason to say "no" to a project was timing (63% of all answers), but a good half of the answers indicate that a project was rejected because of lacking expertise. There is much space for improvement in communication and self-marketing and this can be interesting for facilitators as well as for clients. Almost a third of the answers (29%) show the location of the project didn't fit. Failed financial negotiations are the next reason in line. All in all, we see that ICs seize the opportunity to pick projects – and reject others.

Reasons to reject projects



n= 342, multiple answers were possible

5c) Quotes From The Sample: Reasons To Say „No“ To A Project

„The project was not interesting for my personal development“

„I was overqualified for the project“

„The people in charge didn't have a common understanding of the task“

„The goals of the projects were not achievable“

„Terms and conditions were not acceptable“

„The project setup was weak“

„The project was far below my expertise“

5d) Potential For Better Communication Between Client And Consultant And Constant Self-Improvement Among ICs

When evaluating their last client we see communication between client and consultant can be improved.

Only 42% of the sample think the client did everything possible to allow them to work on their best level. These results show that there is room for improvement. Better goal and feedback discussion (30%) and better onboarding and briefings (26%) could improve the consultants' output and performance. Once again, money is not decisive as a driver: Only 5% of all answers indicate that performance-based payment would have pushed and enabled them to do better on their last project.

A huge majority of consultants is constantly improving their skills and expertise through different ways.

Only 3% of the sample say that they don't do anything specific to stay up to date with their expertise. For everybody else these are the most popular ways: Learning on the job (90%), reading relevant publications (82%) or direct exchange with peers (75%).

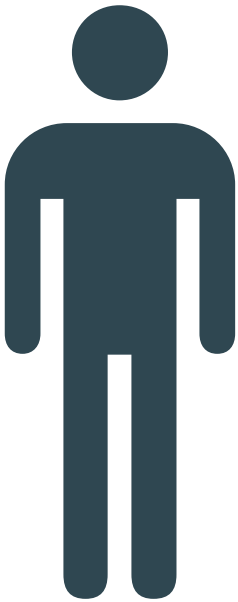
6. The Different Types Of Independent Consultants*

- a) The committed independent consultant
- b) The free time seeker
- c) The future entrepreneur
- d) The nostalgic

*Based on the question: What are your plans for the near future? Within the next two years I plan to stay an independent consultant / return to a consultancy in a permanent position / return to the corporate world in a permanent position / become a fulltime entrepreneur

6a) The Committed Independent Consultant

A person belongs to the group of *committed ICs* if he or she wants to stay IC for the next two years and belongs to the top earners*:

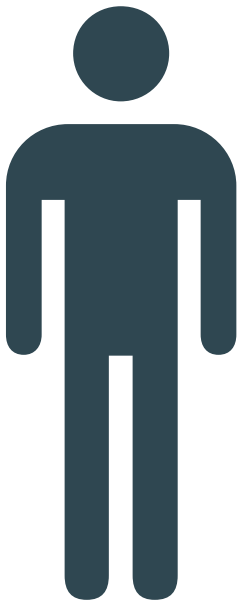


- earns the most of all 4 types
→ Ø 280.000 € compared to 130.000 €
- works the most of all 4 types
→ Ø 186 days/year compared to 114 days/year
- has the longest experience as an independent consultant
- misses routine and structure the least

* top earners means top 10% of annual income distribution

6b) The Free Time Seeker

A person belongs to the group of *free time seekers* if he or she wants to stay IC in the near future and does not belong to the top earners:



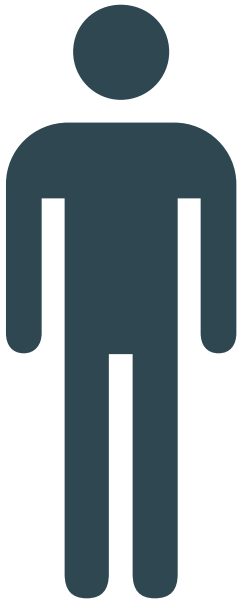
- is the most likely to spend extra time on doing charity work or volunteering work
- money was less of a reason to become independent than for the other types
- has the lowest annual income
→ Ø 116.000 €

Extra findings based on distribution only

- finds it most important to work less or with more flexibility
- most likely to say that they use their extra time for hobbies (sports, travelling, personal development)
- most likely to believe that independent consulting will grow in the next two years

6c) The Future Entrepreneur

A person belongs to the group of *future entrepreneurs* if he or she wants to become an entrepreneur in the near future:



- has the least problem with insecurity between projects – risk-taking is part of their identity
- is the youngest of all 4 types
→ Ø 43 years

Extra findings based on distribution only

- being able to facilitate their own companies was more important as a reason to become an IC for future entrepreneurs than for other types

6d) The Nostalgic

A person belongs to the group of *nostalgics* if he or she plans to go back to being an employee in the near future:



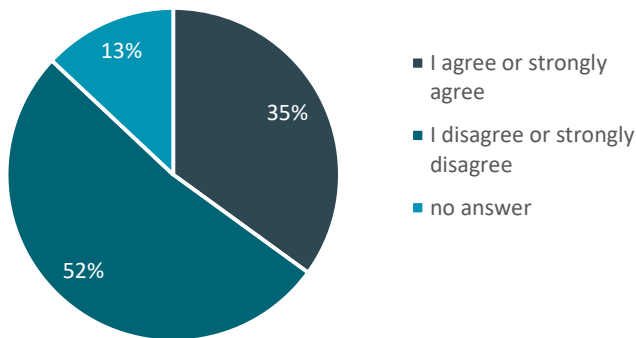
- unhappiest with their work-life-balance
- had the most problems finding a new challenging position
- misses sense of community most
- least likely to recommend independent consulting to others

7. Quo Vadis, Independent Consulting?

- a) The legal frames for ICs can be improved, still the majority would recommend the career choice
- b) Demand for ICs will grow according to the sample

7a) The Legal Frames for ICs can be improved, still the majority would recommend the career choice

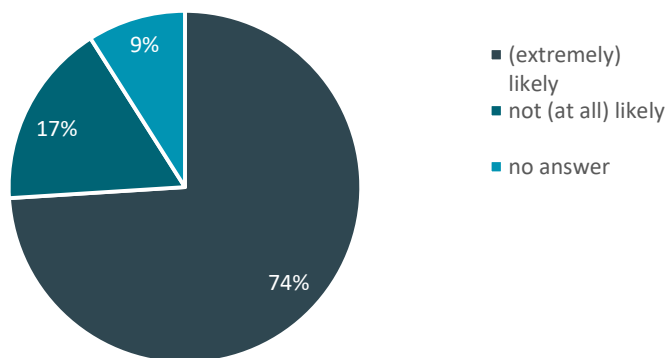
"The legal situation in my country is very attractive for Independent Consultants"



n=340

Conditions for independent work can be improved: only 35 % of the sample consider the legal situation in their country as „very attractive for freelancers“.

"How likely is it that you would recommend freelancing as an Independent Consultant to a friend or former colleague?"



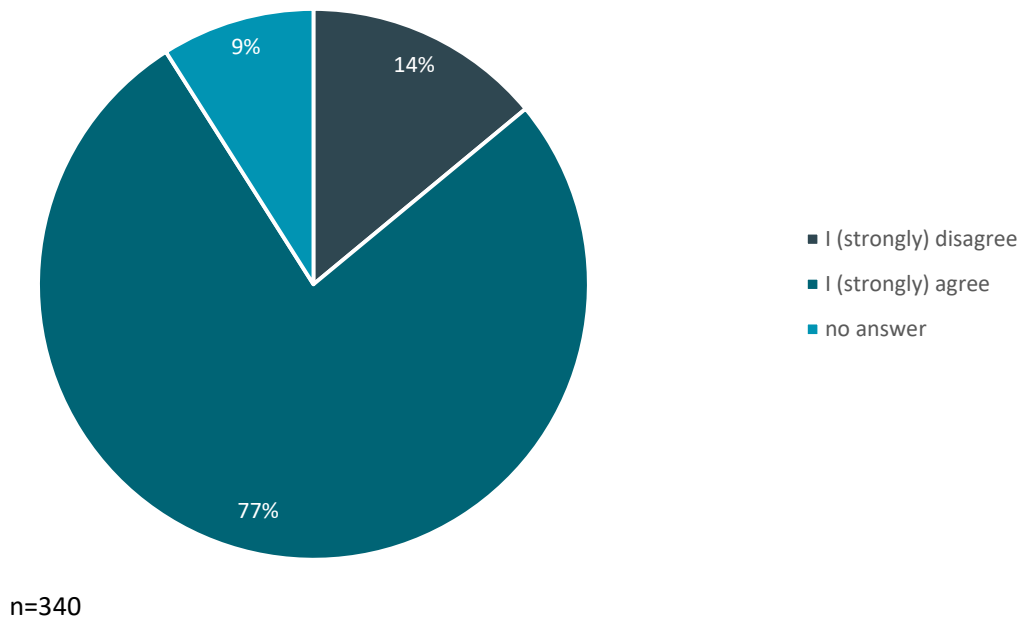
n=340

74% would recommend independent consulting as a career option.

7b) Demand for ICs will grow according to the sample

Not only on a personal level, the consultants in the sample also see independent consulting on the rise in general. 77% think that demand for ICs will grow within in two years.

"I expect the demand for independent consultants to grow in the next two years"



8) Dutch sample vs all other countries: 7 findings

The sample from all other countries counts 388 and the sample of the Dutch group is 32

1

Money matters less

The Dutch consultants more often claimed that money is a factor they consider as "not important" for their choice to go independent (42% vs. 24% of the sample of all other countries)

2

The Dutch like charity

32% of them claim to invest their newly gained extra time in charity compared to 18% in the group of all other countries.

3

The Dutch are less unlikely to deny a project for failed financial negotiations (6% vs. 30% of the consultants from all other countries say they denied a project cause they couldn't agree on a daily rate with the client). Also, lack of required expertise is less of a reason to deny a project: 34% name it as a reason, compared to 51% of the rest.

4

They travel less compared to before: 56% agree that their professional travelling decreased compared to before, while only 34% of the rest do.

8) Dutch sample vs all other countries: 7 findings

5

They are good at face-to-face-networking:

56% of the Dutch compared to 40% of the sample of other countries think that networking at congresses and events contributed strongly to the days sold in the last year.

6

They more often take part in workshops, trainings and coachings: 66% vs. 49%

7

The entrepreneurial spirit is high: 16% of the sample of other countries actually want to rather become a fulltime entrepreneur within the next two years, in the Netherlands it's even 34% who aim for that goal.