
Consulting: Challenges and opportunities – A special interest group (SIG) discussion

Discussion leader:

John H. Lauterbach, PhD, DABT

Lauterbach & Associates, LLC

Macon, GA 31210 USA

Outline

- Opening remarks
 - Introduction of other speakers
 - Recognition of sponsors
- Agenda
- Background for discussion
- Objectives for SIG
- Presentation by Lauterbach & Associates, LLC
- Why and how the ACS should help its members start their own consulting businesses

Opening remarks

- Introduction of other speakers
 - Dr. Fiona Case, Case Scientific, Essex Jct., VT
 - Dr. Susan Wollowitz, Wollowitz Associates LLC, Moraga, CA
- Recognition of sponsors
 - Division of Small Chemical Business
 - Dr. Ronald J. Versic, Chair
 - Dr. Peter Bonk, Program Chair
 - Committee on Economic and Professional Affairs
 - Dr. H. N. Cheng, Chair
 - Dr. Sadiq Shah, Program Chair

Agenda

- Background for special interest group (SIG) discussion – Consulting: Challenges and opportunities
- Objectives for the SIG
- Presentations by owners of relatively new consulting firms
- Discussion including questions from the audience
- Concluding remarks

Background – 1

- Chemists working as consultants are not new
 - Those who wanted to work past normal retirement
 - Those who made a voluntary career choice to become consultants
- Now, there are chemists who are becoming consultants for different reasons
 - Those who were forced to retire early
 - Those who could not move to new facility when old one was closed
 - Those who could not find appropriate position when they followed significant other to new location
 - Those who had to leave for other reasons

Background – 2

- Chemists are generally trained & hired to do technical work, not become general managers
 - However, chemists who start their consulting firms must be the general managers of those businesses
 - Such chemists often have to deal with business issues for which they have no training & do not have the personality to do well (e.g., sales & marketing)
- Starting a consulting firm takes money
 - Professional society dues & trade group memberships
 - Books, subscriptions, reprints, ***Chemical Abstracts***
 - Continuing education & certifications
 - Business insurance, legal & professional fees
 - PC hardware & software, telephones, office supplies

Background – 3

- You cannot stay at home either so there is costs of travel, hotel, & meals
 - While e-mail, etc., can minimize travel, you still need to meet clients & prospective clients
 - Local scientific & business meetings
 - Regional & national scientific & trade meetings
 - Travel to clients & prospective clients
 - To maintain competence & certifications, you need to attend continuing education courses (more costs)
- You are probably working alone
 - Can you get the jobs done right & on time?
 - Can you work without frequent peer contact?
 - Can you maintain security & other office procedures?

Objectives for SIG

- Provide information on how to start a chemistry consulting business & keep it going
- Provide information on how to deal with the issues of growing the business
- Provide information on maintaining one's technical skills & certifications
- Information sources
 - Information from speakers
 - Information from audience discussion

Lauterbach & Associates, LLC

- About the Company
 - Founded October 1, 2004
 - Reasons for starting company
 - Had just been early retired with closure of the B&W Tobacco R&D facility in Macon, GA
 - Needed to stay professionally active to maintain certifications, particularly certification in toxicology
 - No one wanted to hire very experience professional 60 years of age
 - Too young to retire when I had knowledge & skills others needed & was raising my Son, who was 6 at the time.
 - Too many things that I wanted to do professionally that I had to have my own company to do
 - Had superior resources compared with others who had been successful in similar ventures in terms of space, infrastructure, retirement income & health insurance

Business goals

- Provide S&RA (scientific & regulatory affairs) support to the smaller tobacco companies & tobacco industry suppliers
- Provide chemistry & toxicology support to chemistry-related industries in Middle Georgia
- Consulting in other areas on request (e.g., lab management, LIMS workflows, etc.)

Business strategies

- Establish points of differentiation between our firm & a growing number of competing firms
 - Incorporate as LLC
 - Develop business identity (phone, website, etc.)
 - Join industry technical committees
- Networking
 - Former contacts
 - Local business community
- Use technical presentations as a marketing tool
 - Keep in front of decision makers
 - Slides posted on website
- Obtain listings on chemical consultant websites

Business results for first 14 months

- Had first client within 60 days of operation
- Obtained second client in early 2005
- Made six technical presentations, first one 4/05
- Created website with copies of presentations & contact information (went on-line 10/05)
- Obtained third client in late 2005
- Used scientific meetings & short courses to maintain skills & meeting potential clients
- Passed toxicology reexamination
- Joined Chemical Consultants Network
- Lost money because too few billable hours

Business issues

- Time & resources required to convert home office into business-class office
- Finding right attorney for incorporation, business contracts & confidentiality agreements
- Getting the right business insurance
- Cost of obtaining the technical information to stay current & for marketing efforts (journals, reprints, information services)
- Lack of a skilled marketing agent to **actively** market my services to likely clients

Why the ACS should help?

- Chemists who have been terminated through early retirement or similar events represent a valuable ***national*** resource that will likely go underutilized unless the ACS helps
- It appears consistent with the ACS Vision Statement for the ACS to help such members remain in the profession
- Chemists who stay in the profession are more likely to retain their ACS membership & participate in ACS activities

How the ACS can help?

- Most important thing the ACS can do for consultants is recognize their value to the chemical enterprise & **encourage** use of their services by those in the chemical enterprise
- The ACS needs to price its journals, information, & continuing education services such that they are affordable to consultants, especially those just starting out on their own
- The ACS should work with consultants & others in the chemical enterprise to help consultants market their services