

Creating service offerings and products

Professionals typically provide a custom solution for a client's situation. You apply your skills to the specific features of the client's situation to find the best solution for those circumstances. But is this always a good idea for the clients or you? Maybe you should think about marketing and delivering a more standardized service or about creating a product?



The life cycle of problems in most fields

Most problems have a life cycle.

Custom solution. Every kind of problem gets solved first by somebody. Problem-solving pioneers usually focus on solving their pressing problem, rather than on how to ease the task for others who might face the same issue. So you create something that works now, tailoring the solution to the situation.

Making the solution replicable. Perhaps you solve the same problem again in slightly different circumstances. Each time you do you get faster because you have relevant knowledge and experience.

Turning the solution into a service offering. It might occur to you that you actually have created a solution to a common problem. If you announce and market your ability to solve the problem, then you've created a service offering. As a professional, you're still providing your time, but you can charge based on the value to the client of having the problem solved.

Turning the solution into a product (or generating products from the service offering). You create a flow of revenue that does not require you to provide your time as the key ingredient; you are now offering something else, e.g., a database or piece of software. You may still sell services related to the product, but the product has value on its own.

Strategic opportunities for professionals

You can make your solution more replicable. Most solo practitioners are good at replication, because they remember what they did before. Most firms of even a few people aren't good replicators; they don't capture knowledge and tools well. Simple knowledge management (like a company wiki) would go a long way here.

You can change what you charge. You can do the work faster because you've done it before. If you charge per hour and don't raise your rates, you'll just get less revenue and your client will get better value. If the market will bear it, consider raising your hourly rates when you are doing something you've done before, and claim legitimately that you can do it more quickly than those with less experience at this particular

task.

You can turn a solution into a service offering. If you've done leading edge work in an important and growing field, then think about whether you can affirmatively market a specific service. You have developed capabilities and experience in a market that is short on both. Turning the solution into a service offering means *thinking about the specific organizations that would benefit the most* from what you have to offer and *marketing this particular service to them*. For example, a custom software development firm that was early into developing applications for the Android phone could make that a specialty and contact companies that might want Android apps developed. Or a law firm that had tackled a particular kind of case might reach out to companies that likely have the same issue. This is very different than marketing your general software development or legal capabilities. The work is the same as you've done before, but the marketing is different.

You can turn a solution into a product. Making the leap to actually having a product such as a database or a piece of software changes your business model. Different skills become important, and different streams of revenue and expense are created. Professional services may become an offering that helps people take advantage of the product. And you charge for both.

Something to try this week

- Identify the services you (or your firm) have provided. Have you codified your intellectual property so that you can do a similar project much more cost effectively?
- Identify any leading edge work you've done in growing markets. Is there a service offering opportunity (or a product opportunity) lurking there?

What are these tips?

These monthly tips help professionals create more business and enjoy their work more. We focus on how to start relationships, how to build relationships, and how to convert those relationships into sales.