

# ❖ Consultants in Minnesota ❖

April 2002

## President's Message

By Randy Hayman

Greetings All!

First, I would like to graciously thank Kirsten Chapman, KC & Associates for the excellent discussion on Virtual Organizations that ensued at the March meeting.

Next, I would like to congratulate the newly elected Chapter officers. The officers for the 2002 fiscal year (April - March) are: Secretary: Larry Bremer, Treasurer: Norm Nelson, Vice-President: Jack Rose, and President: myself, Randy Hayman.

If you would like to help our Chapter on a one-shot basis, the perfect opportunity for you would be to write an article for our newsletter. The topic can be anything related to the life and times of a consultant, or anything technology related that you want to write about. Remember that our newsletter gets mailed to hundreds of destinations each month. Think of this an an opportunity for an exposure for yourself, or your business to our readers. All you need to do is write up an article of nominal length and email it to our editor, Magne. See the box to the left of this column for his contact information.

Expo should provide an excellent opportunity for you and our Chapter, to not only build a public relations channel, but also to see what's happening now, and what will happen in the future, in the business technology space! Feel free to come on down to the Minneapolis Convention Center and help out at our booth. Learn more about Strictly Business by visiting [www.StrictlyBusinessExpo.com](http://www.StrictlyBusinessExpo.com). As a benefit to our members, you can obtain free Expo passes to distribute to your clients by contacting David Hedrick Skarjune, our Chapter liason for the Strictly Business Expo. David may be contacted at [dhs@wordimage.com](mailto:dhs@wordimage.com).

Your local chapter has also recently formulated a committee with the sole purpose of coordinating our chapter communications - web, newsletter, announcement, and print media. The committee is chaired by your local chapter Vice-President, and has a membership of chapter members interested in such work. If you have an idea for chapter public relations, contact our Vice President - his contact information is to the left of this column.

On a final note, June's National ICCA conference in Denver is fast approaching. The National ICCA conference is a tremendous opportunity for us to learn and grow as business owners that we are. Plan on attending the conference from 7-9 June 2002.

Thank you one and all!

**APRIL**

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Newsletter  
of the



Minnesota Chapter

We have been updating the chapter website lately, visit it at [www.icca-mn.org](http://www.icca-mn.org).

We have also secured a booth at the upcoming Strictly Business Expo (8-9 May, 2002). This year's Strictly Business

## A Biography of Dave Butler Butler Consulting Services

With expertise in software development, systems design, and project management, Dave Butler brings over 10 years of experiences to his clients. Focusing on financial systems, he has been involved with a wide variety of technologies including Java, Servlets and Java Server Pages, HTML, Smalltalk, Python, various Unix servers, various mainframe systems, Visual Basic and Microsoft Excel, and relational and multi-dimensional databases. Dave is a CPA and holds an MBA in Finance from the University of Chicago. He is also a Sun Certified Java Programmer.

Dave can be reached at 952-975-0513. Additional information is available on his web site at <http://www.davebutler.com>.

## Insurance, Negotiation, and ICCA...

By Robert Newman

Recently I received a 50% increase in my rate, thanks to a conversation I was part of during one of our ICCA dinners and a little bit of negotiation strategy. I hope that what I learned will help you some day. First, a little bit about how my business works and the particulars of my contract.

I am an EDI consultant; most of my customers are contracting companies who place me at some of the Fortune 500 corporations in the Twin Cities. I view this relationship as the consulting companies working for me to find work for me. My goal is to some day have a large enough clientele so that I sell my EDI services directly and do not have to work through a contracting company.

When I took this particular assignment, I had to work as a W2, I was not allowed to work as an independent. As a condition of my taking the job, it was agreed that I be allowed to work as an independent if/when the client extended me.

During the last month of my contract, it was apparent that the client would want to extend my services. I reminded the third-party that I would have to be an independent if I were to agree to the extension. This is where things started get a little interesting...

The contracting firm informed me that I would have to increase my general and professional liability insurances. I have always carried certain amount of general and professional liability following the advice of my legal advisor. I knew that the additional insurance was for the comfort of the contracting company. At this point, I recalled a conversation I had with some of our members during one of our ICCA dinners. We were discussing how Las Vegas hotel owners required architects to carry additional insurance after one of the hotels suffered a structural disaster. The additional insurance fees were hurting the local architectural firms...until they started offering the additional insurance as an option to the contract. Once the hotels had to pay for this additional insurance, they suddenly decided that the additional insurance was not necessary.

I suspected that the contracting company might be using this additional insurance cost as a way to keep me as a W2. I was happy to get quotes for the additional insurance (always agree up front when negotiating). After I received the insurance quotes, I prorated the cost of the insurance over the time of the contract extension detailing how it would increase my rate and presented this to the contracting company. During the conversation, I also mentioned how well things were going on the contract and that the client was very happy with the work that I was doing.

My goal during these negotiations was to have the contracting company drop the additional insurance requirements. I was not expecting what happened next. I received a call from the contracting company. In the best interests of their corporate client, they were withdrawing from the contract agreement and rescinded their no-compete clause with me.

In retrospect, being ready to be out of work was probably a key part of the successful outcome for me. I was prepared to walk away from the extension if I was not allowed to work as an independent.

I learned several things from that negotiation.

- \* Have a goal, and be able to walk away from the deal if it will fall short of your goal.
- \* Think win-win. I know that is trite, but approaching negotiation as two partners who

are working together to solve a problem, not as two opponents working against each other makes it easier to give and take and reach an agreement. I kept this in mind while I was getting insurance quotes. I even passed on a couple of suggestions from my insurance agent that I thought might reduce costs.

\* Always agree up front. At no time did I dispute their needs. Throughout the whole process, I empathized with their point of view and did my best to get the insurance that they desired.

\* Don't accept ownership of someone else's problems. The additional insurance required by the contracting company was for their protection not mine. However it was presented to me as something that I needed to provide. It would have been easy for me to interpret this requirement as something that I needed. Instead, I recognized that the contracting company was trying to protect themselves.

## March 2002 meeting Wrap-up

By Amy Mckenna

I would like to thank Kirsten Chapman for leading a discussion on running a virtual organization. Contrary what some people believed, a virtual organization is not about telecommuting or running an office without renting a physical office space. Kirsten defined a virtual organization as a business that can expand and contract based on demand. Her company KC Associates has no employees, other than herself but does between \$1.2 and \$1.5 million in revenue each year. Kirsten has achieved this by building a network of independent consultants who she tries to provide 30% -50% of their income. By building these relationships Kirsten is able to meet her clients needs, without the overhead of employees. For me this was not a new business model, but I do believe that Kirsten made an important point that it requires a mindset change to be successful, as an independent working with KC Associates needs to be open to some downtime and being flexible. Kirsten listed a few qualifications which made for a good subcontractor: a skilled individual who appreciates getting paid in a timely manor and wants to fill the social aspect working for a corporation but remain independent. In exchange, KC Associates absorbs the risk of doing business, acts as the salesperson and brings the independent consultants business.

**ICCA at Strictly Business Expo on May 8 & 9**

Our Minnesota Chapter of ICCA will be an exhibitor at the 20th annual Strictly Business solutions expo on May 8 & 9, 2002 at the Minneapolis Convention Center. We'll be at booth 1504 (just across the aisle from last year's location. Hours are from 10 a.m. to 5 p.m., and there is no admission fee as long as a registration form is completed.

This is a great opportunity for ICCA-MN to build our public relations channel, as some 16,000 people will rub elbows to meet with some 800 exhibitors. For most of us effective networking is a key to our success, and as one of the largest technology events in Minnesota, Strictly Business offers many opportunities to make new contacts with potential members, prospective clients, and both local and national vendors.

We receive free exhibition space (worth \$2,325) as a non-profit group and through our endorsement of the expo, under these terms:

- 1 ICCA-MN will provide a mailing list for Strictly Business to send information to our membership about the expo.
- 2 ICCA-MN will feature Strictly Business on our web site.
- 3 ICCA-MN will encourage member registration by distribution of free expo passes at meetings & events.

Tickets will be available at the April meeting. Many of you have already signed up for a volunteer shift at our booth, but there is still room on the volunteer roster for anyone who can help or who just wants an excuse to hang out at the expo! Volunteers will be pre-registered to pick up Exhibitor Badges, you will receive instructions via E-Mail one week prior to the expo, and you will receive a reminder phone call

on the week of the expo.

Keynote speakers at the Strictly Business expo include Former Director of the FBI Louis Freeh on "Homeland Security & Leadership for Complex Organizations," Novell CTO Carl Ledbetter on "Nothin' But Net," Digital River CEO Joel Ronning on "Profit Channel: The Economics of eCommerce," Linux Journal Senior Editor Doc Searls on "Why Linux Is Still The Best Operating System For Business," and Apple Computer Regional Manager Curtis Juliber on "UNIX on the Desktop – The Time Has Come."

For more information about Strictly Business speakers and related events, visit the web site at: [www.strictlybusinessexpo.com](http://www.strictlybusinessexpo.com)

If you want to volunteer, need extra tickets for distributing to clients and associates, or have any questions regarding Strictly Business, contact David Hedrick Skarjune at (612) 724-9357 or [dhs@wordimage.com](mailto:dhs@wordimage.com)



**Meeting Reservations:** Members may phone your reservation to Joan Barnes at 651-257-2570 **by 3:00 PM, Friday, April 12, 2002.** Non-members should mail this form to: ICCA Minnesota, c/o Norm Nelson, 2200 E 22nd St. Minneapolis, MN 55404-3165

Name: \_\_\_\_\_ Company: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_  
 State: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

Menu Selection: The Wyndham Garden Buffet

Members \$25 Non-members \$28 x \_\_\_\_\_ = \_\_\_\_\_  
 Late Charge \$2 x \_\_\_\_\_ = \_\_\_\_\_  
 Enclosed is a check for: \_\_\_\_\_



# Next Meeting

Tuesday, April 16, 2002

## Marketing

### Wyndham Garden Hotel

4460 W 78th St. Circle  
952-831-3131

Social Hour at 5:30PM  
Dinner at 6:30PM

For reservations call  
Joan Barnes @ 651-257-2570

## FUTURE MEETINGS

Wednesday, May 15, 2002 Lido  
Thursday, June 20, 2002 Wyndham

#### ICCA Disclaimer notice.

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Get involved--write a story for the newsletter. I need stuff to fill these white(blue) pages!!

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