

# ❖ Consultants in Minnesota ❖

May 2002

## President's Message

By Randy Hayman

Greetings All!

I would like to thank Jeffrey Hickstein, Director of Sales and Marketing at Project Consulting Group for his tremendous presentation on 'Marketing yourself as an Independent Consultant'. Jeffrey has over 17 years experience in the growth and expansion of Information Technology firms, primarily in the Twin-Cities area. His talk focused on the meat of selling oneself and marketing one's firm, the sales process, market analysis, reasons why businesses hire consultants, marketing challenges, marketing strategies, marketing tactics, best practices, and resources that each of us could use to better ourselves selling and marketing our organizations.

I hate to sound like a broken record here, but this was another high-impact presentation each of us could have learned something from. If you missed this meeting, you missed a significant business growth educational opportunity.

If you would like to help your Chapter on a one-shot basis, the perfect opportunity for you would be to write an article for your 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.

We are continually updating your chapter website, visit it often at [www.icca-mn.org](http://www.icca-mn.org).

Your local chapter has also recently formulated a committee with the sole purpose of coordinating your chapter communications - web, newsletter, announcements, press releases, 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 your Vice President, Jack Rose - his contact information is to the left of this column.

David Hedrick Skarjune, a member of the communications committee and your chapter coordinator for our Strictly Business Expo booth is collecting member firms' logos to display in our booth. If you are a chapter member and wish to have your logo displayed in our booth, email David a JPEG graphic of your business logo or simply your business name, and he will see to it that it is part of the collage of logos displayed. The local chapter directory each of us received as a member of our chapter last year has his contact information. If you do not have his contact information, you may email me and I will forward your response to him.

ICCA's National conference, to be held June 7-9, 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!

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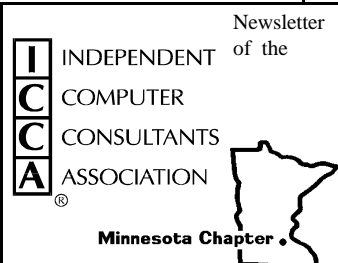
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## How to decide what rate you ask for your services.

By Randy Hayman ICCA-MN, president

When I started my corporation, I was perplexed as to what rate I should charge for my services, and what I should pay myself. I worked as an IT consultant for almost four years before starting my own Subchapter-S corporation, so I was well aware what my firm was billing me out at plus what they were paying me. I used that as a target, however, this only would indicate one small portion of the entire puzzle, as you will see.

Please utilize your own legal and accounting resources to determine the best scenario for your situation. This article and the spreadsheet mentioned are simply an example of how one can establish one's own budget estimate.

Here is how I made my decision on what salary I wanted to pay myself, my costs of doing business, and what my target bill rate should be. Initially I talked to a lawyer and a CPA highly experienced in small business affairs. From that I made some determinations as to what I wanted to have as business deductions and expenses based on my situation and my comfort level. You should do the same for your own situation.

I started off with annual costs I could calculate from quotes:

Health Insurance (visit [www.ehealthinsurance.com](http://www.ehealthinsurance.com) for quotes)

Business Insurance (O&E, General Liability, Professional, Personal Injury, Fire Damages, Medical, et.al.)

Legal (advise, retainer, etc...)

Accounting (advise, Tax preparation, W-2s, quarterlies, payroll, et.al.)

Then I calculated what I could or should budget for expenses related to the business based on my

discussions with the accountant and the lawyer and my comfort level:

Automobile (34.5 cents per mile (currently), or actual costs, all dependant on your vehicle, and your situation)

Meals and Entertainment (client relations, new client meetings, lunches, schmoozing, etc...)

Equipment needed to support my business in the coming year (desktop computer, laptop computer, fax machine, printer, phones, cables, Network Cards, Modems, etc...)

Professional Education (to keep myself current, and attend the annual ICCA National Conference):

- Books
- Travel and Per Diem
- Seminar/Symposium registration
- non-billable time to attend this education

Office Utilities (electrical, Internet access, Web Domain registration and hosting, Phone, etc...)

Office Rent (if one chooses to take the percentage deduction based on the size of the office)

Office Supplies (toner, pens, paper, ink cartridges, stamps & postage, etc...)

Next I proposed a salary for myself, the business tax liabilities associated with that (unemployment, employer paid Medicare, Social Security, etc...).

I added in a marketing budget item that included various collateral: business cards, logo, website maintenance, brochures, etc...

Then I took a stab at the amount of retirement and business re-investment savings I would like to put aside for my retirement and for any unexpected expenses.

Finally I listed the amount of vacation, holidays, and sick time I wanted to

bank against salary, plus a maximum goal of downtime for the year.

I put this all into a spreadsheet and broke each cost down to the number of hours I set as a goal for working in a year, as an hourly rate. Note that there are 2080 business-day hours in a year, less holidays and vacations. To expect to be billable even 80% of that (1664 hours) may be a stretch. First, many clients have 80 hours of holidays per year, if you wish to take only 80 hours of vacation per year, you are already down to 92%, then take into consideration any downtime, marketing time, business administration, and other non-billable time, and you see that 80% billable hours is likely to be a challenge to achieve. My point being this: be realistic about the number of hours you expect to bill and set your cost of business accordingly.

I added them all up and from this hourly rate I found what my cost of business was based on the above numbers. This then was my minimum target rate that I sought from my clients.

If this rate was significantly different than what the market would bear or from what I had been getting from my job as an employee of a consulting firm, I adjusted the numbers and set that as a budget to shoot for. Over time, I have been able to dial in a remarkably accurate projection for my annual budget.

I have created a spreadsheet to calculate all of this (OpenOffice but compatible with Microsoft Excel format) and have forwarded it plus this article to our webmaster for posting on our website.

That's the view from here. Let me know your thoughts by sending me email at [haymanr@icca.org](mailto:haymanr@icca.org).

## Security, a Common Sense Approach

Presenter: Mark Wolcenski

### Concepts

**Computer or Information Security** means many things to many people. From CEO, CFO, CIO's to Network Security, Web Masters, IS technology experts to the non-technical end user – everyone has a different *understanding* of security, its *relevancy* to their professional responsibilities and even the *best methods* to identifying and mitigating the associated risks. It will explore a **radically simplistic approach** to discussing security terms, weighing what's important to what isn't and the establishment of a method to approaching security in "common sense" manner. Individuals attending this presentation will gain a fresh insight into the often confusing and misleading world of **Security** and **Security technology** and a clear understanding of how that world is intertwined with their own.

### Presentation Outline

- **Computer / Information Security**
  - o The main causes of Security Problems today
  - o Computer Security Industry Solution – 100's of tools! Help!
  - o Good News
  - o Cost-Effective Solution

### Biography

Mr. Wolcenski is a senior security consultant with Spherion Technology. He holds a Bachelor of Computer Science degree, a Certificate in System Engineering and a CSTE certification. He has over eight years IT, software and security testing experience. Select test project work: web application (Java applet/servlet), Telecommunication (local loop), message handling systems (SMTP, X.400, MQ Series), Y2K, SAP R/3, and Internet Firewalls/ Computer-Security (Digital Signatures/Encryption, multi-level access control).



ICCA meeting schedule and location for 2002 By Amy McKenna				
		Topic	Sponsor	Speaker
Thursday, June 20, 2002	Wyndham			
July, 2002	Summer Break	Summer Break	Summer Break	Summer Break
Tuesday, August 20, 2002	Lido			
Wednesday, September 18, 2002	Wyndham			
Thursday, October 17, 2002	Lido	Tax planning	Ray Giske	TBD
Tuesday, November 19, 2002	Wyndham			
Wednesday, December 18, 2002	TBD	Holiday Party	TDB	None



Meeting Reservations: Members may phone your reservation to Joan Barnes at 651-257-2570 by 3:00 PM, Monday, May 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 Lido Italian Garden Buffet

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



# Next Meeting

Wednesday, May 15, 2002

Computer or  
Information Security

## Italian Market Deli by Lido

2801 North Snelling Ave  
651-636-9721  
(north of Rosedale)

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

For reservations call  
Joan Barnes @ 651-257-2570

## FUTURE MEETINGS

Thursday, June 20, 2002 Wyndham

### ICCA Disclaimer notice.

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[ed. note]

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**Attention all ICCA members:**  
Get involved--write a story for  
the newsletter. I need stuff to fill  
these white(blue) pages!!



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Stamp

**First Class Mail**

