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Call For Articles

Can you write a few paragraphs on an interesting topic related to what you do for a living? ICCA of Minnesota is looking for articles for this newsletter, for our web page, and for submission to larger-circulation journals.

Please help!

Send articles or story ideas to editors@icca-mn.org, or call us at 612-245-ICCA.

STRICTLY BUSINESS 2004

This year's Mid-America Strictly Business Technology Expo will be at the Minneapolis Convention Center Wednesday and Thursday, June 9-10, 2004. Continuing our tradition of participating, ICCA of Minnesota will be among some 77 exhibitors.

IT professionals from established companies and start-up companies alike will find a wide range of practical solutions for the most demanding business challenges.

ICCA of Minnesota's local experts will be available at Booth 230 to answer your questions about:

- Finding, evaluating and engaging a consultant;
- What it means to be an independent computer consultant;
- The right and wrong ways to find consulting assignments;
- What ICCA does for consultants and the consulting industry.

In addition, we'll be offering clinics at the booth on specialty topics. Check our website

Next Meeting
General Liability, Errors & Omissions, and Workers' Compensation Insurance
By Terry Sweeney of Richville State Insurance
Wed, May 19
Axel's in Roseville Radisson Hotel, 2540 North Cleveland Ave, Roseville, MN
Mentoring 5:30PM Dinner 6:30PM
Members \$25 Non-Members \$28
RSVP 651.257.2570

for the clinic schedule.

The expo is highlighted by two keynote speakers.

On Wednesday, June 9 at 1:00 p.m., Richard Clarke will speak on Emerging Standards of Cyber Security: Impact on Your Business. Mr. Clarke was an advisor on national security to four U.S. presidents, is an expert on cyber-security, and authored the best-selling



non-fiction book Against All Enemies.

On Thursday, June 10 at 1:00 p.m., Ira Winkler, CISSP will speak on Lessons From Super Spies: What Spies Can Teach You About Securing You and Your Business. Mr. Winkler is President of the Internet Security Advisors



Group and author of the book Corporate Espionage



WHAT YOU MISSED AT THE APRIL MEETING

BY JACK ROSE

Many consultants, accustomed to working in a programming environment, skew their presentations to appeal to the traditional IT manager.

Graphic Selling Equally Important, Says April Speaker. Are you selling web design projects? Don't forget the right brain.

Bruce Stasch, our April 20 speaker, both entertained and informed ICCA members with an opening song, then a powerful presentation that identified and distinguished two kinds of selling: technical and graphic.

Many consultants, accustomed to working in a programming environment, skew their presentations to appeal to the traditional Information Technology (IT) manager -- focusing on familiar items like disk capacity, average uptime, and transaction speeds. Often, though, the person making the buying decision is influenced by sales concerns, often cosmetic in nature, that have little bearing on the technical merit of your proposal. Among these are graphic design factors.

Of marketing opportunities in website design

	Left brain (technical)	Right brain (graphic) selling
Who is your audience?	The IT manager	The sales manager
What is your emphasis?	Techie stuff (hardware, benefits)	Cosmetic stuff (snappy graphics)
Best way to get the order?	Sell Both!	

there are many. Companies are migrating to Web presences and email marketing. To find these opportunities, it may be necessary to repackage yourself to take on both sides. Know your strengths; outsource your weaknesses. Establish working relationships with potential subcontractors, then cross-sell. Also, Bruce advises, start to think like the customer.

Bruce identified at least six sources of new businesses, in this order:

1. Network your existing clients.
2. Look to a trade association like ICCA for opportunities. Be ready to give and receive leads.
3. Check out trade associations in your targeted industries.
4. Web hosting companies often don't have their own design staff any more. Opportunities abound.
5. Do you have friends in the industry you'd like to sell into? Ask them for referrals.
6. Many directories are now online, from annual reports to employee directories. Start at the top.

Finding a prospect whose website needs attention is easy, Bruce says. Just look at their website. See how bad it is, then contact the president and ask, "what are your plans?"

A LETTER FROM BRUCE STASCH

BY BRUCE STASCH

I wanted to thank the ICCA for the opportunity to present my ideas to your membership. It was nice seeing some of the guys again and I hope I was able to offer some good ideas that they can use in their businesses. Please mention to everyone my appreciation for being invited and the nice reception I received while I was there.

Thanks,

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ICCA-MN TO EXHIBIT AT STRICTLY BUSINESS TECHNOLOGY EXPO MINNEAPOLIS CONVENTION CENTER WED JUNE 9 & THUR JUNE 10 BY BILL MCTEER



For the umpteenth (at least 8) year, ICCA-MN will have a booth (number 230) at the Strictly Business Expo this year. If you can help staff the booth or need tickets to provide to your clients, please contact Bill McTeer icca@mctsys.com or 612-333-4115

Strictly Business is a 22 year-old resource

for collecting IT trends and strategies essential for developing efficiency, increasing revenue, and providing comprehensive customer service in today's competitive marketplace. IT professionals from established companies and start-up companies alike will find a wide-range of practical solutions for the most demanding business challenges. Join us this June at the region's only technology expo for another exciting year of innovations and connections.

For details and to register FREE today, visit www.strictlybusinessexpo.com!

U.S. PROGRAMMERS: BARGAINS GO BEGGING BY DAVID E. GUMPERT

Mark Jennings finds work for Americans at rates not much more than those of India. Corporate America's response has been underwhelming

Are major U.S. corporations ready for a homegrown alternative to offshore outsourcing? Mark Jennings is betting his 18-year-old boutique info-tech placement firm that they are. He has committed his business, which boasts about \$4 million in annual revenues, to offering the services of American programmers at rates competitive with those in India, the Philippines, and other Asian countries.

Jennings has been at it for seven months now, and he has discovered one thing: U.S. corporations aren't rushing to get a good deal by hiring American. He has pitched his concept to more than 100 corporations, many of which he has dealt with over the years of handling traditional outplacement. So far, all he has to show for it are a total of two American programmers working on a pilot basis at a pair of corporations.

EXPORTING KNOWLEDGE. Based on my conversations with three of his customers

and prospects, I'd say he has a tough nut to crack. The reality appears to be that major American corporations are addicted to the financial savings they're gaining from outsourcing IT work overseas, and an appeal to a combination of economics and patriotism is an uphill battle. Not that Jennings is discouraged - in fact, he's still pumped, saying as many as 20 of the corporations he has contacted are seriously considering his approach.

Jennings' proposal, which he refers to as "insourcing," is simple: His outfit, Synerggroup Systems of Aliso Viejo, Calif., will make available to corporations highly experienced programmers for \$38 an hour or less. This is around half the going price for contracted U.S. programmers, he says, and only slightly more than rates available in Asian countries. That said, Jennings figures the small premium is offset by savings in travel, oversight costs, and management expenses.

Jennings took on his mission partly because Synerggroup Systems has been decimated by the down economy and the exodus of IT jobs from the U.S. His outfit's current revenues are

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U.S. PROGRAMMERS: BARGAINS GO BEGGING

BY DAVID E. GUMPERT - CONTINUED

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down by a third on what they were in 2000.

SAFE AT HOME. That's one reason. A second is that Jennings is convinced a real opportunity exists to beat the Asian outsourcing firms at their own game. "Jobs are being created en masse," he says. "They're just being created overseas.... We have phenomenal people [in the U.S.] being cast away."

The keys to his eventual success, he says, are twofold. First, there's the newfound willingness of American programmers to work for a lot less than once was the case. Since he put out the word late last summer, he has been inundated by responses from programmers -- many of whom were earning \$90,000-plus salaries and generous benefits not so long ago. Today, they are willing to work for less than \$30 an hour, which translates into \$50,000-\$60,000 annually, with no benefits.

Second, there is his own willingness to accept significantly lower margins in the expectation that volume will make up the difference. Before that volume picks up, however, he needs to convince U.S. companies that local programmers really do represent a viable alternative to looking east across the Pacific. Here the future grows hazy. The prospects and customers I spoke with have all had extensive experience outsourcing programming work overseas and, frankly, they like the results. (Though with offshore outsourcing at the center of controversy and political debate, they are reticent to brag on the record.) Here are the concerns I heard:

Costs: Even though he has sliced a significant amount off the going rate for his U.S. programmers, bringing them close to overseas rates, that is still not enough for some companies. One of Jennings' trial customers, an official of a multibillion-dollar distributor, says that

the \$38 she pays for Jennings' American programmer is \$12 an hour more than an equivalent programmer in India. "The people who run this company have real tight purse strings," she says. As a result, her company likely won't expand its engagement with Jennings. (Tellingly, the woman demanded that neither she nor her employee be identified. "This is on the news every night," she said, "and I don't want my job outsourced.")

Expertise: In the view of some corporate types, the financial savings from going to India are enhanced because they include a total package. Thus, John Magrann, vice-president of product development for Ceridian (CEN), a \$1 billion human-resources service outfit, sees the Jennings model as "more of a supplemental resource."

Indian firms will likely continue as the core outsourcing resource for his company because they "can offer total outsourcing" of all major functions -- management, programming, communication. Moreover, the firms Ceridian uses have high "Capability Maturity Model" ratings, an internationally recognized system for evaluating programming expertise. By contrast, Jennings' venture doesn't handle complete projects and doesn't offer such ratings.

Expectations: The reality in Corporate America today is that any service provider is going to use offshore outsourcing to one extent or other, says Michael Gibson, vice-president of services for Digital Evolution, a small provider of Web-services management and security to large companies, and one of Jennings' trial customers. "If you don't use it [offshore outsourcing], they feel you are not up to the game." When Gibson negotiates with corporate prospects and there are disagreements about price, "They inquire about whether you are thinking about going offshore." So while Gibson likes the services he has received from one of Jennings' technologists, he sees them as a better fit for small-company clients than with Corporate America. "If you're a big company," Gibson notes, "you can negotiate very attractive rates offshore."

One of the messages that comes through loud and clear in speaking with Jennings' prospects

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U.S. PROGRAMMERS: BARGAINS GO BEGGING

BY DAVID E. GUMPERT - CONTINUED

(Continued from page 4)

and customers is that a huge amount of momentum has built up in favor of foreign outsourcing. Think of it this way: Jennings is offering a business model that seems to answer corporations' complaints that the cost of American labor is too high, while also responding to the stump speeches of politicians, who say that the loss of American jobs is undermining long-term economic growth. Yet despite checking both those boxes, his undertaking remains a very tough sell.

EXPORTING KNOWLEDGE. I would have expected something different, especially based on a previous column I wrote describing an entrepreneur who has gone out of his way to steer clear of outsourcing and hire Americans (see BW Online, 12/2/03, "U.S. Programmers at Overseas Salaries")

That column triggered a deluge of e-mails and many media stories -- nearly all applauding the entrepreneur's approach. But the applause must be coming from

American workers and entrepreneurs rather than from corporate executives. Within large corporations, the pressure to trim every last dollar from short-term production costs is so intense, corporations assess their employees and suppliers in terms of how deftly they outsource. No matter that companies may be sending valuable knowledge overseas. No matter that some individual executives feel uneasy about letting their country down.

Right now, it looks as if the best Jennings can hope for is that large corporations will come to view him as something of a backup in the event that outsourcing restrictions begin cropping up. For example, he stands to benefit if Congress passes legislation that would tax or otherwise penalize outsourcing, and if states enact privacy-related regulations requiring that sensitive information, like medical records, not be sent offshore.

In the meantime, Jennings urges corporate executives to show a semblance of patriotism. "Don't turn your back on these people" who have lost jobs to outsourcing, he pleads. "Give them a shot."

May's Motivational Quote

" BEFORE OPPORTUNITY CROWNS YOU WITH GREAT SUCCESS, IT USUALLY TESTS YOUR METTLE THROUGH ADVERSITY. "

Adversity provides the resistance necessary to develop the strength to overcome great obstacles. This strength consists of self-confidence, perseverance, and, very importantly, self-knowledge. For if you do encounter a setback, it is a clue to a personal weakness. You may have been hasty in judging a competitor, or you may have been too timid in your vision of what needed to be done. Let adversity be your guide to understanding where you misstepped and which qualities you need to cultivate. No one rejoices in disappointment, but if you are success-conscious, you can turn the situation into a chance for improving your character, an opportunity you otherwise would have missed.

- Napoleon Hill