

*“Life is too short to be unhappy
in business.”*

— George L. Brown

DEFINE YOURSELF

INTRODUCTION

It may sound overly dramatic, but the winds of change are coming to SMB Consultants. A storm is gathering around us. We can ignore the change, we can fight the change, but we can't stop the change. There is one more alternative – we can make our businesses evolve to take advantage of the change.

Technicians who support Small- and Medium-sized Businesses (SMB) are virtually all small businesses. Even the larger consulting houses tend to be in the range of ten to twenty consultants. A consulting company with fifty technicians is very rare.

After roughly thirty years of quiet anonymity, our businesses are now the focus of three major movements. After watching one industry after another go through the process of growth and consolidation, it's our turn.

During the Dot Com Bubble we put up with technicians who wanted \$70,000 salaries for entry level jobs. After the bubble burst, some of those unemployed technicians competed against us at \$25 per hour. But the forces of change were not always as visible.

After the Tech Wreck of the early 2000's, three movements emerged that are changing our business whether we like it or not. These three movements are loosely related to one another.

The first movement is the most mature – Managed Services. I define managed services as “outsourced I.T.” It can mean flat rate pricing to some. To others it means remote administration or remote monitoring. It can be anything from a home grown collection of tools and procedures to a complete software and services package.

The second movement is the growth of the “mobile geek” industry. The Best Buy Geek Squad has the mindshare in this business right now. They're kind of the Kleenex of mobile computer technicians. Geeks on Call, Geeks to Go, and several other “mobile I.T.” companies are fighting for the P.R. success of the Geek Squad.

These are still early days for the franchised “geek” industry. I don't know if the current service model and pricing model are sustainable. But you can be sure of this – they're not going away. They may need to be rebuilt and re-constituted. There may be an industry shakedown. If Best Buy is successful, others will follow. But some form of franchised or licensed/branded technical service will survive.

You can also be sure of this – branded technical support will move from home users to small business users—and eventually to medium-size businesses. Best Buy is already opening Geek Squads that focus on small businesses.

Which leads us to the third major movement – major national companies are beginning to compete with us, the small consultants. The most notable entry into this field is Dell Computers. They like to call their offering “Managed Services.” In fact, they're combining remote administration, help desk support, and local I.T. consultants to provide a one-stop-shopping package to small businesses.

The Dell Managed Services offering is very immature. It has the most visibility among SMB consultants because many of them consider Dell a “partner” and that partner is now competing with them. As with the

services mentioned above, the Dell model may need to be restructured to be profitable. At the same time, others will join this fray.

Is all of this depressing? No! What a wonderful, busy, exciting time to be in the industry! This is exactly the environment in which entrepreneurs flourish! Companies like Dell and Best Buy could take years to figure out what they're doing. And we, the "little guys," have the clear advantage. When they zig, we can zag. We can change directions, fill in the gaps, clean up the messes, and make money in the process.

And best of all, this is the perfect time for us—for SMB consultants—to redefine our businesses.

That's where this book comes in. Your contracts or service agreements are the very definition of the services you offer and the prices you charge. They are the formal definition of your relationship with your clients. There is always the personal side, of course, and that's what keeps small businesses in business. But the basic description of how you operate is defined by your service contracts.

As we look ahead to the year 2010, it is the job of the business owner to anticipate what the market will look like and to position the business to be successful in that market. Here's what we know:

- ❖ Managed services will be everywhere.

As a result, a certain piece of our business will be "commoditized." That is, there will be a large number of chores that anyone can do and they will be farmed out to the lowest bidder.

- ❖ Branded technical support will be everywhere.

Again, that means that certain services will become commodities. It also means that you have opportunities to join a franchise, buy into a licensed brand, join a technical group, or start your own organization.

- ❖ One-Stop-Shopping from national companies will be everywhere.

This is really a combination of the previous two that is implemented by a large corporation. Your opportunity may be to take part in the process, use them where you can, and compete where they can't.

- ❖ None of these can lead to the demise of small I.T. consulting firms.

One piece of the market will consist of commodity services. One piece will consist of clients who will never use managed services or branded support. And one piece will always consist of specialty services that cannot be supplied by the “competition” mentioned above.

This book has a very simple goal – to provide SMB consultants with a solid introduction to support agreements. My goal is to make this book immediately useful. Notice that I didn't call this “The Big Fat Book of . . .” or “Everything You Need to Know . . .” This book is not the “Bible” of consulting agreements.

This book is a Quick Start Guide. It covers the basic information you need to write a good service agreement in the modern era. If nothing else, it should give you a place to start thinking about how you will formulate your business as these winds of change blow across the landscape of SMB consulting.

I believe these changes are coming—in fact they're already here. Five years from now, almost every aspect of small biz I.T. consulting will be different. Now is the time to figure out where your business is going and how to get there. Every SMB consultant without a business plan needs one. You need to define who you are and where you're going. This book provides one tiny piece of that puzzle.