Paper 127-2007

Thirteen Things I Wish I Knew Before I Became an Independent SAS® Software Consultant

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Introduction

Over the years I've been asked to speak at SUGI/SGF conferences and regional user group events about my experiences as an independent SAS consultant. At times I am surprised at the level of interest people express in learning about the process of becoming an independent consultant and in my experiences of working "outside of the box" of a "real' job with a public- or private-sector employer. But, I am happy to share my insights and experiences with others who are either currently consulting or are considering becoming an independent consultant.

Previous versions of this paper were titled "*Ten* Things I Wish I Knew…" but since this is my thirteenth year of independent consultancy, and I've learned a few new things since the last time I gave this presentation (at SUGI 28 in 2003), I'd like to offer thirteen lessons I've learned since becoming an independent consultant. First, however, a little background.

Making the Transition: Initial Considerations

Making the transition from salaried employment to independent consulting in 1994 was aided by several factors. First, I received a generous severance package from my then-employer, Pacific Gas & Electric Company, as part of a corporate downsizing. Second, I had a year's notice before my position at PG&E was going to be eliminated, so I had a chance to assess all my options, including finding another job within PG&E or going to work for another company as an employee. Third, I had been teaching SAS Software courses for the University of California at Berkeley's Extension Division for a number of years, so I had a large base of former students I could contact for leads for work.

And, I had spent several years in the management consulting services arm of Coopers&Lybrand, one of the predecessor firms to what is now PriceWaterhouseCoopers, an international accounting and management consulting firm. While there I learned a great deal about proposal writing as well as about client and consulting engagement management. These turned out to be very valuable experiences that I frequently put to good use now that I am an independent consultant.

So, I had both a financial cushion and plenty of time to think about what I was going to do and how I was going to do it. I also had a list of people from whom I could prospect for work, and I had had experience working as a consultant for a big firm. Even with this rather promising start, I was still nervous about starting my business. Would I find work? How much could I charge? How many hours might I expect to work in a year? What happens if I don't find work? Will people really hire me? These and other questions led to more than one sleepless night or, if I could get to sleep, waking up in a cold sweat in the middle of the night. There were several reasons why I wanted to explore independent consulting.

I was weary of being "drilled in to" narrow technical roles in the various companies for which I had worked over the years. I felt I could do more, and be happier doing it, if I worked outside the strictures of corporate hierarchy, pay scales, human resources policies, and internal politics. Also, I wanted the flexibility to work on the sorts of projects where I felt I could do my best work, rather than be told to work on projects for which I might be either overqualified, or uninterested, or both. And, I wanted a chance to NOT work on projects that did not interest me or I felt had a poor prospect of succeeding.

So, I decided to strike out on my own. Thirteen years later I am still an independent SAS consultant.

I've had--and continue to have—a wide range of unique experiences that challenge both my technical and consulting skills. I've traveled extensively, both throughout the United States and to many foreign countries, for work, and have had many professional and personal opportunities that probably would not have come my way but for my decision to start my own business in 1994.

From a personal standpoint, I am much happier about my professional career and life direction now than when I when I worked in industry. I've come to learn, however, that the lifestyle and demands of independent technical consulting are not for everyone and it's therefore best to avoid the “grass is greener on the other side of the fence” mentality that may lead some to jump in to independent consulting when staying an employee of a larger organization is really best for them. This is what makes me happy, but it is not guaranteed to may YOU happy.

#1 An Hour Worked is Not the Same Thing as an Hour Earned

An independent consultant is exactly that: independent. You either perform all business functions yourself, or hire others to do them for you. Many of my work hours are "non-billable," as they are spent doing administrative tasks such as paying bills or preparing tax information, learning about new features of SAS System software, writing proposals, developing course materials and generating newsletters for SAS user group meetings, networking with others, and attending SAS Software user group meetings. When you work for a big organization, public or private, functions such as payroll, network administration, marketing, travel planning, legal affairs, accounts payable and receivable, and provisioning of office supplies are usually done for you by others in the organization. When you are one-person company, you get to do all of them yourself, and more.

For most people working in 'real' jobs, the work comes to you, rather than you having to go out and find the work. Sure, as an employee of a large organization it's important to maintain your reputation as a competent and skilled "team player" whose services will be requested on future projects. It is certainly critical that employees have their work valued by the peers and by managers in order to be promoted, be given visibility and opportunities to work on high-profile projects, and to survive downsizings and other periodic “purges.”

But, when you work for someone else you do YOUR job, and someone (or several 'someones') are responsible for selling your employer's product or services, shipping it out, collecting revenues for it, paying you your salary, and depositing withheld taxes to state and federal tax authorities.

This is absolutely not the case when you are a one-person shop, where “you eat what you kill” is the general rule.

Most independent consultants I know—regardless of industry or profession—work far more than 40 hours a week, and many of those working hours are not be directly billable to a client project. We need to do the work for our clients and the work of running our businesses (which often includes a substantial amount of time marketing yourself), and it often does not matter what hours of the day (or night) or days of the week on which you are doing it.

Right about the time I went out on my own a friend, who had spent several years as a consulting actuary, said to me "Andrew, if you start your own business you are going to have to figure out which four hours of the day you are going to sleep." I remember that comment when it's one in the morning and I am in my home office trying to finish a proposal or update a seminar description, and when I am hurrying to make a flight in the morning or late at night.

There is always something to do, or so it seems. It's therefore important to budget your time between billable and non-billable activities, and to at least informally rank-order the importance of the non-billable activities you plan to do. And, it's important to make sure you are spending time with your family, friends, on your hobbies and enjoying the things you like to do. Sometimes I have to “remember” to get out of my home office and take a walk, or just relax.

So, to me, independent consulting is more than just working on projects and sending out invoices. It is a lifestyle choice that has definite benefits and drawbacks and requires a substantial commitment of time beyond that spend on billable client projects.

#2 Bill Your Clients Early and Often

The first thing you'll realize when you have your own business is that you don't get paid unless you invoice your clients. Cash flow is everything. The longer you wait to bill the client, the longer it is going to take to get paid. Get in the habit of preparing invoices at least monthly, or sooner, if appropriate.

If you are on a long-term engagement, invoicing weekly or every two weeks is appropriate. For a short-term assignment, such as a one-time only training class, submit the invoice right away. Don't let the amounts owed you pile up. A client may be more than willing to sign a $4,000 invoice every week but become psychologically disoriented when you submit an invoice for $40,000 for ten week's work.

Also, the larger the invoice amount the more levels of approval—and longer amounts of time--are required to get you paid.

I feel it is critical that a consultant and client have a clear understanding at the outset about invoicing and payment. As the consultant, you need to have a firm idea of when you are going to get paid and how much you will be paid. The client needs to understand your needs as well as explain to you how their payables process works. Also, if you are working through an agency, you must absolutely understand from them how they are going to pay you. Your written agreement with them needs to spell out how and when they plan to pay you. Otherwise, you could be in a sticky situation later.

At the outset of your engagement ask that your client or recruiter explain to you how their accounts payable system works. Each entity has a slightly different system. If the client tells you that invoices have to be submitted by the 20th of the month in order to receive payment by the first of the following month, then you know what you need to do. With one client I went from being paid 30 days after invoice presentation to just two business days after invoice presentation just by adding "payable upon receipt" on my invoices. Learn your clients' systems and make them work for you.

Also, don't wait until the 31st of December to send in any remaining invoices for that calendar year. My experience is that most organizations whose fiscal year is the same as the calendar year want to clear outstanding invoices by the last working day of the year. This can also be problematic if your accountant sets you up on the accrual system of accounting rather than on a cash basis. If you are on the accrual system, then the amount you invoice is considered income (and, hence, taxable) on the date of the invoice, not on the day you receive payment of it.

Part of your initial discussions/negotiations with a client should include an understanding about how they want your invoices prepared. Generating an invoice that meets the client’s requirements means you will be paid faster than if you present one they decide to return the invoice because, for example, you did not put your vendor number on it.

My policy is to avoid assignments where I will have to wait more than 30 days after invoice presentment to be paid. When possible, I try to negotiate a shorter turnaround time. Also, for engagements involving training classes or survey research projects, I try to set up a “progress payment” arrangement under which I am paid a portion of the total fee as I complete each critical step in the project. For a survey project, I might ask for 25% of the fee after the survey is finalized, another 25% when the surveys are returned and I start to analyze them, and the remaining 50% upon delivery of the final report.

It is highly unlikely that you will be paid in advance for your services as a SAS Software consultant. Retainer arrangements are very rare, especially at the outset of a consultant-client relationship. I can understand that clients want to pay after you’ve done the work, not in advance, especially if you don’t have a long relationship with them. I like to make sure that I know what the client's payables policy is in advance of agreeing to do the work. "Net 30 days" is often how large corporations and government agencies run their accounts payables operations, and I can live with that but anything longer is often problematic.

Also, I avoid contingency arrangements. I've turned down projects, for example, where I was promised payment when a lawsuit settled or contingent on winning a federal research grant. I don't like being in a situation where my pay is dependent on whether some other, exogenous event (such as a lawsuit settlement) occurs. My “index of suspicion” (see below) increases when a potential client: 1) refuses to put their payables policies in writing and/or 2) says “you'll get paid when we get paid.” If you find yourself in those situations, see below.

#3 If It Does Not Feel Right Then Don't Do It

I've had a few bad experiences along the way. I've started engagements with clients only to have the relationship quickly sour. In one instance I sued a client in Small Claims Court in order to force him to pay me (I won the case, and he paid the judgment). There have been a few other times where I really regretted going to work for a client. Although the vast majority of my client engagements have been very successful, the negative ones do take their emotional (and, sometimes, financial) toll.

I think the most important thing to remember is that you don't have to take every job that comes your way. There's plenty of work out there (see #8, below) so there's no reason to be miserable working for a client with whom you don't get along. All of my negative client experiences have one thing in common: I did not listen to my better judgment to not go to work for that client. It's helpful if you develop a checklist of what's important to you in a client engagement. Divide those in to the things you "must have" versus those you're willing to forgo.

How important is that that you, for example, work from your own office rather than on the client site? Are you willing to subcontract, or affiliate with another firm for payroll or contract management purposes? To what extent are you interested in working on projects in different industries or operating systems? One of the best things about being an independent consultant is that you get to create your own reality. You can concentrate on the things you want to do, and do them the way you want to do them. The more things on your "must have" list that you give up in order to accept a client engagement the less likely you (and your client) will be happy.

Also, pay attention some important warning signs. Is the client unwilling to give you a written contract? Have other consultants been "burned out" at the same site? Do you have a 'good feeling' about working with the client? Listen to your own judgment and you won't be disappointed.

I'd like to relate one story from the outset of my consulting venture. About a month before I was scheduled to leave PG&E I was contacted by a firm in the San Francisco area that had recently leased SAS System software and was looking for someone to convert their existing applications to SAS. At first, I thought this was a dream come true: a big consulting contract BEFORE I even started my business!

The more I dealt with the firm's owners, however, the more I became convinced that I could not work for these people. What concerned me the most was that two of the three partners were very enthusiastic about my going to work for them, but they would not sign a contract. And, when I finally talked to the third partner, it was clear that all three of them were not able, at least with regard to the project for which I was to be engaged, to function as a cohesive team. After a sleepless night I declined start working for them, and one of the firm's owners left a verbally abusive and threatening voice mail message for me. This, of course, convinced me immediately that I had made the right decision to not go to work for them.

About nine months later I received a telephone call from an attorney representing a local technical contract services firm. The attorney's client had placed a SAS consultant on a six-month contract with the same firm with which I had declined to work, and the services firm did not receive payment for the contractor's services even though the contractor had worked there for six months. Would I be willing to review the contractor's code and render an expert opinion as to the quality of this person's work? (Since I had also declined the contract, it was not appropriate for me to agree to be an expert in this case, as I could not have maintained any sense of neutrality about the matter.)

By trusting my better judgment I apparently avoided working for six months and not receiving payment for my services!

#4 Set Up an Accounting System Before You Start Earning Money

If you become a consultant you now have two types of money: your money, and your business' money. Confusing the two will cost you a lot in accountant's fees, taxes and penalties, and non-billable but very aggravating time trying to sort out what's what.

I think the most important thing you can do before going out on your own as a consultant is to find a Certified Public Accountant who is experienced in working with small businesses. Paying for an hour or two of a CPA's time is a worthwhile start-up investment which will pay off handsomely in the long run.

Sit down with the CPA and learn how to best set up both your corporate organization (e.g., to incorporate or not) and how to set up an accounting system for the money that you receive. At the very least, set up a separate checking account and put your business expenses on a different credit card from the one you use for personal expenses. You might want to explore using accounting software such as Peachtree™ , Quicken™ or Quickbooks™ to make these tasks easier.

You can find a CPA by checking with your local Chamber of Commerce, Independent Computer Consultants Association (ICCA) chapter, a friend or colleague. At the very least, make sure your CPA is licensed in the State in which you live. Avoid firms that promise to find you "hidden deductions" or that are willing to take an "aggressive position" with the IRS regarding taking deductions for questionable expenses because they say the probability of your being audited is low. The IRS has been known to audit ALL of a firm's clients once they find a pattern of inappropriate deductions with just one or two clients.

Most accounting firms will also provide services such as payroll tax report preparation and bookkeeping. I've been working with the same CPA for many years now, and I very glad I have him and his staff working for me. Had I hired him at the outset I would have saved thousands of dollars in taxes and many hours of work trying to "reverse engineer" my company's accounts after being in business for a while. Some people have asked me, "why hire a CPA? Aren't bookkeepers or Enrolled Agents (EAs) cheaper?"

Well, yes, they often do charge less than a CPA, but the type of work they do for you is vastly different. A CPA has a license from one (or more) States to review and certify the financial statements of an organization. They must have at least a bachelor's degree, and depending on the State, a certain level of accounting and auditing experience before sitting for the CPA exam. Bookkeepers, on the other hand, are skilled at handing things like accounts payable and receivable, or payroll matters. Finally, an Enrolled Agent (EA) is licensed by the US Internal Revenue Service and is permitted to prepare federal tax returns and to represent you in disputes before the IRS.

My suggestion is that you find a CPA firm in YOUR state that likes to work with small businesses. The firm should be able to handle your federal and state tax reporting, help with incorporation (if required), and offer you bookkeeping and payroll services, if you want them.

Many CPA firms are "full service" organizations whose staffs include bookkeepers, Enrolled Agents and Certified Public Accountants. In a typical year I might only need two or three hours of the CPA's time to discuss certain matters, for which I pay a much higher hourly rate than the four hours a month I generally need for bookkeeping and payroll services from people working for him in those capacities.

#5 Three Ingredients for Success as an Independent Consultant: Marketing, Marketing & Marketing

As I mentioned previously, one of the big differences between working as an independent consultant and having a “real job” is that when you are an independent consultant you need to find the work, the work does not come to you. So, a lot of time is spent on marketing yourself to prospective clients. I like to tell people that since becoming a consultant I am always in one of two modes: working, or looking for work. Sometimes it is difficult to know when I should be spending time looking for work versus working the work I have. That’s one of the reasons why an hour worked as an independent consultant is not the same as an hour earned (see #1 above).

Over the years I’ve met people at SAS user conferences who have expressed an interest in starting their own consultancy. One of the first questions I ask them is: “how are you going to make the phone ring?” Many times my question has drawn a blank look on the potential new consultant’s face. Why? Because they don’t yet understand that an essential part of having a successful consultancy is finding the work before you get to work the work and invoice clients for it (see #1 above).

For me, the transition to independent consulting was aided immeasurably by my having a long list of potential prospects I could call from the people who had taken my SAS classes at UC Berkeley’s Extension Division in the years before I started Sierra Information Services. Also, I had been actively involved with the local Bay Area and regional Western Users groups, which gave me a lot of additional visibility and contacts in the marketplace for SAS talent. Without those factors, I think it would have been a lot harder for me to start my own business.

I think many people are drawn to what they feel is the “excitement” of “being your own boss” without understanding the essential processes of marketing your services. Also, I have the sense that many people who excel at technical topics such as computer programming are less adept at the social and interpersonal skills that are often important ingredients to successful marketing. That’s why in most companies there is a clear “division of labor” between the technical and sales people. The sales people like to shake hands, smile, cold call prospective clients and are generally extroverts, while the introverts stay in the office and focus on churning out ‘product.’ There’s nothing wrong with that, but if YOU are not willing to market yourself, I think you need to either reconsider your potential decision to become an independent consultant or rely on the efforts of a placement/recruiting firm to find work for you.

I view marketing my services to be one of the most important tasks I do every day. And, I try to do it every day. Every presentation I give at a user group meeting, every public class I present and every addition I make to my company web site is directed towards positioning Sierra Information Services as a ‘player’ in the market for SAS consulting and training services. I always have business cards and brochures at the ready when I am at events where I am likely to meet prospective clients, and I use my company web site as a critical marketing tool. As I discuss in #8 below, I always welcome a chance to speak at events for user group meetings.

One of the ways you can test your potential suitability as an independent consultant is to draft a brochure promoting your services to potential clients. Don’t worry about fonts, graphics or visual appearance (yet). Just take a letter-sized sheet of paper and fold it in thirds. Now, sketch out what you feel you offer a potential client. If you can’t do this, or provide content to a professional marketing person who can write it up for you, then please keep your “day job.” Also, ask yourself how willing you are to cold call potential clients, speak at user events, or otherwise project yourself in to the market for your services. If the thought of writing proposals and presenting them to potential clients, or negotiating a project engagement makes your stomach churn, then independent consulting is probably not for you.

One of the challenges I often face is allocating time to work on current projects versus finding new work. There are few things more frustrating than to have no work on the horizon and it is also frustrating when you are missing deadlines for a current client because you are prospecting for new clients. That is one of the things a recruiting or placement firm offers you: they do the sales and marketing, and you do the work. The difference between what the client pays them and what they pay you could be properly considered your “avoided cost” (monetary and otherwise) of having to find your own work.

The question is: how will you identify job opportunities? One way is to register with local and/or national firms that place contract technical staff on jobs. You can also search web based services such as Monster.com and DICE.com for jobs, or network on your own. Some SAS consultancies participating in the Alliance Partner™ program work on subcontracts with SAS Institute.

Your prospects for finding work are certainly enhanced by developing a quality resume and other written documentation demonstrating your skills and abilities.

Also, spend a few extra dollars and buy quality business cards. Avoid the ones you can make with your laser printer. They tend to convey the image that you're working out of your spare bedroom. Even if you are, I think it's important to spend a little money to create stationery, business cards and other materials that portray you to be the competent professional that you really are. The old saying "you only have one chance to make a good first impression" is quite relevant when you are trying to sell yourself on an engagement.

Also, if you ARE working from home, have a dedicated telephone line installed for business calls and keep your young children from answering it, especially during work hours. Your professional image is not enhanced when your three year old answers the business phone and says "Mommy's doing poo-poo right now" before hanging up.

If you want to be an independent consultant then you need to network, network and network some more. Earlier in the paper I mentioned that when you work for a large organization, assignments tend to come to you.

Waiting for the phone to ring is a prescription for independent consulting disaster. Instead, you need to figure out how to project yourself in the market so that your phone WILL ring with inquiries about your qualifications and availability for assignments.

Getting involved with your local and regional users SAS Software users groups is an obvious, and very effective, way to project yourself in to the market for SAS professionals in your area, as well as to enhance your reputation by giving papers at their conferences. Adding references to the papers you've presented at a user event suggests to potential clients that you have some subject-matter expertise that others feel is worth sharing.

There's nothing wrong with working with headhunting firms, especially if you don't want to go to the hassle of starting up your own business, taking care of payroll, etc. A reputable placement service will work hard to find you a suitable position, take care of client billing and payroll deductions and otherwise look after you.

But, you can expect that they will retain a significant portion of the hourly billing rate for their services. This is often a contentious issue between firms and consultants. Keep in mind, however, that the recruiting firm often has a staff of full time employees working to identify suitable positions and to handle the administrative details of your contract. While you are working for client X, they are out trying to build a relationship with client Y, with whom they hope to place you in the future.

In some situations, the firm will pay you before they receive money from the client, so part of their portion of the rate is going to pay you money they don't have in hand yet. And, many large companies require independent contracts affiliate with designated firms to avoid "contractor vs. employee" hassles with the IRS.

When working with placement firm representatives it is important to keep in mind two things: 1) they are commissioned sales people, so they don’t get paid until they successfully place a “resource” at an “opportunity;” and, 2) they typically have a very low level of subject matter or technical knowledge. Very few recruiters have any in-depth expertise with SAS Software, so they are usually unable to describe the job beyond the description that has been presented to them.

That often leads to misunderstandings between the client and the “resource,” or embarrassing moments between a potential “resource” and a recruiter, such as the time a search firm representative posted a job on an internet site where experience with “SAS MARCOS” was required.

When I called to ask what “SAS MARCOS” were, the recruiter became indignant and asked me why I was “wasting her time” if I did not know what they were. In fact, she said, he agency already had three “SAS MARCOS” experts already lined up to present to the client the next week. Of course, what she meant was “SAS MACROS,” and there was a typo in the job description from which she was working. To me, this incident highlights one of the common (and frustrating) problems I’ve encountered when dealing with search firm reps…they really have no idea about the technical needs of the client or how well a candidate can meet those needs.

One major unsettled issue with independent contractors generally, and with computer software consultants in particular, are the "IRS Section 1706" provisions which seek to help define who is a "contractor" and who is an "employee." Many companies are reluctant to contract directly with consultants, so in order to avoid "Section 1706" problems, they may make you become an employee of a designated firm for the duration of your contract. If you take this route, just remember that if the contract ends, it is unlikely that the company managing your contract is going to keep you on *their* payroll for an extended period before the next project rolls around.

While there are certainly unscrupulous headhunters, there are plenty who want to work with you, and their clients, on a mutually beneficial relationship. The best thing for them is to place a happy consultant with a happy client on a long-term contract!

#6 Don't Surprise Your Client

Clients hire you to get the job done. They've hired you because you've convinced them that you can do the work, and they are willing to pay you to get it done.

Even with the best of intentions and prior planning, things can go wrong. If they do, I feel a consultant has a moral obligation to promptly inform the client when there is, or there is going to be a problem, and not surprise them with it at the last minute.

Let me give you an example: suppose you're hired to build an analytical data mart for a large bank, and one of the key steps is using the client's mainframe to merge together a series of very large tape data sets.

Your client is on the hook to more senior levels of management to produce this data mart in a given time frame. Despite all your best efforts, the mainframe went off line over the weekend when you expected most of the merging to take place. You know that your client has a meeting on Wednesday to discuss the project, and now its Monday morning and this critical step has not been completed. Some people might be tempted to not tell the client, hoping that the programs will run correctly Monday night.

My approach would be to promptly tell the client that the merging failed over the weekend, as well as what I was planning to do about it, and when I expected to have the project back on track. That's certainly better than hiding the existence of the problem until the client came to me Wednesday morning and I had to tell them that the progress they expected to report has not occurred.

When that sort of thing happens the client gets upset with the consultant and bad feelings start to set in. In my opinion, it is much better to be the bearer of bad news sooner, rather than later.

Along these lines, I think it is important that consultants learn how to do what's often called "completed staff work." This is a term I learned years ago working for two Members of Congress and later in a consulting firm in Washington, DC run by someone who had been an Assistant Secretary and later Undersecretary (roughly equivalent to the Chief Operating Officer) of a federal cabinet agency. Here is an example of how to apply the concept of "completed staff work" as a software consultant. Suppose your logon id and password have expired and you cannot access the client mainframe while a major project deadline looms. Some might be tempted to just e-mail the client and say "can't do any more work on the whizbang project until you reauthorize my mainframe logon id and password."

Instead, do everything you can to make it easy for your client to take care of this for you. By applying the concept of "completed staff work" your email should say something like "I've talked to Esmeralda in Corporate Mainframe Security about the fastest way to get my logon id and password reauthorized. She and I discussed how important the whizbang project is, so she will reauthorize my account as soon as you fax her written authorization. I've prepared the authorization form for your signature, and the departmental admin, Fred, has put it in a red folder in your in basket. As soon as you sign it Fred will fax it to Esmeralda, and I will follow up with her. If you can do this before lunch Esmeralda says I should be back to work by 2 pm."

By adopting the "completed staff work" approach what you've done it not thrown the problem back in the client's face, but instead developed a solution to the problem that minimizes the amount of time he or she needs to spend on it. All they need to do is sign the form. The moral to the story is: make life easier for your clients!

Also, if there is bad news, be the first to share it with the client. Better they hear it from you than from someone else.

#7 It is Better to Walk Away with Your Pride and Reputation Intact than to Stay on the Job and Suffer

There's no reason to tolerate abuse from a client. As I discuss below, there is (still) plenty of work out there for SAS consultants. Don't feel you have to take every job that comes your way, or stay at one where conditions are unbearable.

More than once I've had other consultants tell me about a horrible problem they're having with a client. The consultant isn't getting paid promptly, the client frequently loses their temper, otherwise treats them in a disrespectful manner, makes major changes in project scope while still expecting it to be completed in the originally contracted time frame and budget, etc. So, why are they still working for this client?

Their answer usually is "well, they say they will have more work for me when (the next grant comes in, the budget is authorized, whatever)." I've always thought this was akin to what psychologists often call "battered spouse syndrome," where a person remains in an abusive relationship with their partner because they: a) believes the batterer really loves them; and, b) things will get better in the future. There is no reason to suffer from "battered consultant syndrome!" If things are bad for you now, they certainly aren't going to get any better when the new funding arrives for another project.

Also, be careful to avoid what I've come to call "resentful demoralization of the client staff." This occurs when others in the client organization resent your presence. "Resentful demoralization" manifests itself when someone on the client staff feels they should be working on the project for which you were hired, not you. Or, they resent that, at least in their perception, you are making more money than they are for the "same" work. If you are not careful, resentful and demoralized client staff can quickly destroy your relationship and lead to termination of your contract.

You can work to avoid this problem by being friendly and helpful to others in the client organization. It never hurts to buy a box of Girl Scout cookies or contribute to purchasing flowers for someone in the client group who is in the hospital or on bereavement leave. If appropriate, go out with the group for the team lunch, or remember a birthday with a card. Don't be aloof, or imperious, or act like “the rules” don't apply to you because you are not an employee.

One way to avoid resentful demoralization is to not discuss, or justify, your billing rate to client staff. There have been a few times where I've had a client staff person approach me on an "intelligence mission" to figure out my billing rate. My response, which usually works is, "just the other day I had a chance to read the employee benefits book here at your company. You guys certainly get have a generous package of vacation days, floating holidays, company matches to your savings plan, pension plans, discounts on the company product, and so forth." That tends to quiet them down.

If the client staff DOES find out your rate, I would be hesitant to discuss or justify it to anyone other than the person who hired you. All you need to say is "the boss and I agreed this rate was appropriate, and if you disagree you need to discuss it with her."

Also, make sure you follow ALL requirements regarding safety, security, data protection policies, and so forth.

Act like the "guest" that you are and don't leave messes for others to clean up. If you take the last cup of coffee from the pot, make a new one.

I have had a couple of very bad "resentful demoralization" issues that could not be resolved no matter how hard I tried. I worked briefly some years ago as a contractor in an organization where the full time SAS programmer seemed to be having a lot of problems, so contractors were being brought in to get the work done. She was highly paranoid and suspicious, and would follow the contractors around taking measurements of how much time they spent in the rest room, getting coffee, etc. and reporting that time to the departmental manager. Needless to say, this contract did not last very long.

A good consultant-client relationship is characterized by mutual respect and by each side's carrying out their obligations. You have an obligation to do the work that you've contracted to do in the agreed upon timeframe. At the very least, the client is obligated to pay you promptly and not treat you like a whipping post.

#8 There's Plenty of Work Out There (Maybe)

One of the things I quickly learned after starting my business is just how much work is available for SAS Software consultants, especially in major metropolitan areas. I feel that demand remains strong for experienced SAS Software professionals, especially in the clinical trials area and in areas such as consumer risk modeling and other forms of ‘data mining.’

But, I am sensing that offshoring of SAS programming jobs to India (and elsewhere) is reducing opportunities for US-based programmers. Also, I think many employers now prefer to have full time employees on site rather than hiring independent consultants. And, many large employers now require independent contractors to affiliate with a “preferred provider” rather than to contract with them directly.

Internet jobs sites such as Monster.com and DICE.com seem to offer many jobs where SAS is a requirement. At times, however, it is hard to figure out whether these are “real” opportunities or efforts by recruiters to beef up their book of resumes they can show to a potential new client. Many of these postings are for the same job which has been farmed out by a company to multiple recruiting firms. So, read carefully and look before you leap.

All in all, I think that SAS is an important and marketable skill. But, I think you’ll have more success if you are able to combine your SAS skills with other skill sets. I don’t think there’s the same level of demand for ‘data step jockeys’ who don’t know other programming languages, or subject matter areas such as clinical trials data management, customer or risk analytics, or web analytics.

One other thing: remember, that for most clients, it’s the objective, not the method, which counts. It is important that you are able to convey to a client that SAS, and your own skills with the product is the method by which the objective will be carried out. Many clients are non-technical folks who could care less about data step hash objects of threaded procedures in SAS 9 software. They want you to talk in terms of meeting the project objective, and less about the methods you use to get there.

#9: Never Forgo An Opportunity to Share Your Expertise with Others: What the Lesson of Free Ice Water Offers Independent Technology Consultants

I like to collect coffee mugs from the places I have visited, and last year finally added one from Wall Drug in Wall, South Dakota to my collection. I keep it in a prominent place in my home office, because the story of “Free Ice Water” is one that I feel applies to my work as an independent technology consultant.

You may already know the story of “Free Ice Water” at Wall Drug. If you don’t, if goes something like this: in 1931 a young pharmacist named Ted Husted opened a pharmacy in Wall, South Dakota, population 326, near the Badlands and at the intersection of state ‘highways’ 16 and 14, both of which were then little more than two lane roads. Business in the middle of the Depression wasn’t very good, and the Husted family was searching for a way to generate revenue by encouraging people to visit their store.

Ted’s wife, Dorothy, suggested offering free ice water to travelers who stopped at Wall Drug. Signs were duly placed along the roads leading to Wall letting folks know that free ice water was available at their store, with no obligation to buy anything. Unlimited hot coffee was five cents. Back in those days traveling by automobile was a far less comfortable experience than it is today, and the opportunity to stop for a free cup of cold water was hard to resist by folks driving in open-air vehicles in the hot summer along dusty roads in the middle of the South Dakota prairie.

Of course, once people stopped at Wall Drug for free ice water they were likely to purchase some food, drugs or other items for sale there. As a result, Wall Drug has become one of the biggest family-owned businesses in South Dakota with over 250 employees during the summer months. What was then a small drug store has become a large operation with 75,000 square feet of restaurant, museum, gift shop, and, of course, the drug store.

Nowadays, with over 2 million vehicles a year passing Wall (now a booming metropolis of 850 people) on Interstate 90, Wall Drug is one of the most popular tourist stops in the United States. Why? Free ice water! They now give away over 20,000 cups of free ice water *a day* during the peak summer tourist season. In addition to your free cup of ice water you can also get a free Wall Drug bumper sticker to put on your car. And, yes, unlimited hot coffee is still five cents a visit.

For a more complete history of Wall Drug, visit www.walldrug.com .

By this time you might be wondering what free ice water has to do with being an independent computer software consultant. Well, a lot, in my opinion.

I've been asked "Andrew, why are you giving all these presentations ‘for free’ at user group conferences when you could be getting paid for telling them these things?" And, more recently, I am asked “why do you pay to maintain a web site where people can download your user group presentations for free?”

Well, the answer is: free ice water. I think that one of the ways I can best present my services to potential clients is to offer the consulting equivalent of free ice water. If people come and hear me talk at a user group meeting, they get a sense of what I know and what I might do for them as a SAS consultant and/or trainer. Hopefully they will appreciate the content of my presentations enough to keep me in mind for paying work that comes up later. I am always gratified when someone calls and says “I heard you talk at our local user group meeting, can you come here and teach a class,” or “I learned so much from the user group presentations I downloaded from your web site that I told my boss I just had to enroll in your public classes the next time you were in our area.”

Without the opportunity to offer them my “free ice water,” it would be very hard to get them in to my “store” to see what they can pay me to do for them.

And, the free downloads of the user group presentations? Well, that's handy for two reasons. First, I get asked for copies of these talks, and by putting them on my web site people can access them themselves, which saves me a lot of time and money I'd otherwise have to spend on photocopying and mailing them. And, since I ask people for their email address before they can download the presentations, I know who is visiting and how to contact them in the future. They are also a form of "free ice water" that people can refer to when working on SAS programs at their workplace.

I remember vividly an incident at the 1997 SAS Users Group Australia meeting I attended in Sydney that illustrates the effectiveness of offering "free ice water" to SAS users. At morning tea I met two people from the Health Insurance Commission of Australia, a major SAS Software user in the Australian federal government capital city of Canberra. (The HIC is roughly equivalent to the old federal Health Care Financing Administration in the USA, now Centers for Medicaid and Medicare Services).

When I told them I was planning to visit their city immediately after the SUGA 97 conference, they enthusiastically asked if I would come to the Commission and speak to a meeting of their internal SAS user group that they would arrange. I really did not want to take a half-day from what I was hoping to be some vacation time to do this, and I was thinking of a way I could politely decline the offer when one of them spied the manager of SAS Institute's office in Canberra standing nearby. They told him that they wanted me to come out to their offices (which are located about 30 minutes from the central business district where I was staying in Canberra), and would SAS Institute please arrange to drive me from my hotel to the HIC offices for the meeting? (I was--and still am--scared to death to drive an auto on the "other" side of the road!)

The Canberra office manager was quite enthusiastic about arranging for "the American expert" to speak to SAS users at one of their largest sites in Australia. There was now no way I could get myself out of doing it. I put on my best face and agreed to do it. Well, the next week I went to the HIC and had a great time. I wasn't paid for my half day there (but they did take me out for a nice lunch), but I built up a lot of good will with the SAS user community there and with the local SAS Institute office staff.

This investment of "free ice water" paid off handsomely for me, as for several years thereafter I routinely went to Australia to present training classes, and the HIC always sent large numbers of people to my classes.

The moral to the story is that you should never turn down an appropriate opportunity to offer your own version of "free ice water" to potential clients, regardless of the industry in which you work.

#10 Be Good to Your Clients and Your Clients Will Be Good to You

I've been very happy to have several very long term contracts with clients who have kept me on board for as long as four years. It is certainly possible that once you start a contract with a client, it is likely to be renewed or other projects found for you in the same organization.

Remember, you were hired because you have skills and abilities that the client does not have in-house. It is in the client's interest to keep you happy and motivated so that the work you were hired to do is completed properly and on time. Most clients would prefer to work on a long term basis with a "known quantity" rather than run the risk that a new consultant won't work out with them.

Also, bear in mind that it is important that client organizations maintain a good reputation with consultants who work for them. My four-year consulting gig came from another consultant who had been working--very happily--with a group in a major bank that was looking for someone with my talents. Clients often turn to their existing consultants when seeking others to assist them on projects. If the consultant isn't happy it's unlikely they are going to recommend their colleagues work at the same place.

Even if yours is a short-term relationship with a client, do everything you can to leave on good terms. There are few things better than an enthusiastic reference from a former client to a potential new client.

#11 If You Don't Ask, the Answer's Always No

Most of us are raised to avoid being considered "pushy" or "demanding" by others. And, that's something we should all try to avoid. But, I've learned that as an independent consultant I don't have a boss who will decide what my next project is or re-order my work priorities. So, I've learned to ask, hopefully politely, for what I want. For example, if I don't offer a potential client some "free ice water" (see above) in the form of a complimentary brown bag lunch presentation to their SAS users (which I hope will yield some future consulting opportunities), it is very unlikely they are going to call me up and suggest the idea to me.

So, I think it's important to ask for what you want. The client (or potential client) can always say "no thanks," but if YOU don't take the initiative, very little is going to happen for you. As the consultant, you have to make things happen for yourself (see my earlier comments about finding the work yourself versus having someone bring the work to you). One of the ways to do that is to be slightly "pushy" and ask for the appointment, the information, the opportunity, the whatever. Otherwise, a potential client won't know of your availability and/or interest in working for them.

#12 Had Known This Was Going to Be So Much Fun I Would Have Done it Sooner

I'm very happy to be an independent SAS Software consultant. But, it's not a career choice or lifestyle that is best for everyone. There are plenty of private companies and public sector organizations that offer their employees good salaries, outstanding benefits, and an enjoyable work environment. It's often easy for both employees and consultants to suffer from "the grass is greener on the other side of the fence" syndrome and inappropriately envy the other's employment arrangements.

Independent consulting suits me because of the kinds of projects I like to do and because I have the background, skills and abilities to only to know where to put the semicolon in a SAS programming statement (at least most of the time!) but also how to run the nontechnical aspects of my business.

If you don't want to work substantially more than 40 hours a week, don't want to deal with the hassles of payroll taxes, marketing, invoicing, client management, marketing, networking, and possibly substantial travel, then it's probably best that you either stay a full time employee or have a recruiting firm place you on full time contracts. This is not a lifestyle that suits everyone.

Having a substantial financial cushion at the outset, as well as consulting skills obtained from my time working for Coopers&Lybrand made this transition easier for me, as did my extensive contact base from my teaching at UC Berkeley Extension. Had these factors not been in place all those years ago I might not have started my own business.

I've also made some mistakes along the way. I didn't set up a payroll and accounting system when I started my business, which cost me a lot in back taxes, interest and penalties. A few times I've not trusted my judgment and would up in sticky situations with clients.

On the whole, however, things have worked out for me. I enjoy the many trips I get to take every year to SUGI and the regional SUG meetings in the USA, and have also had a chance to participate in users group meetings in Australia, the Netherlands, Canada, England, the People's Republic of China and New Zealand. I've also been honored to present training seminars in many foreign countries, which has been quite an experience.

#13 The Right Thing Happens at the Right Time

My final "learning" has to do with the uncertainty that many consultants face in their work lives. You really don't know when the next project is going to come up, or whether or not the current client will extend your contract. Part of the life of the independent consultant is dealing with swings in revenue, expenses, billable hours, and other aspects of your work life. One week you may bill 80 hours and the next month you might bill zero hours.

I've had a few situations come up where I was absolutely convinced that I had landed a project or training gig, only to have things fall apart at the last minute, leaving me without a revenue stream for a while. Needless to say, this can be quite upsetting and financially challenging. But that is one of the things you get when you are an independent consultant. The way I see it, full time employees of public and private-sector concerns trade some freedom and maybe a little income in return for a steady stream of income. Consultants, on the other hand, might earn a little more money (but, I think, when expenses are factored in, probably not much more than people working in "real jobs") and have a bit more flexibility in their professional lives in return for less certainty about their long term income stream.

So, you learn to live with the uncertainty. But, as long as you can keep a few dollars in reserve to tide you over, it's best to think of these potential projects that for some reason evaporate as things that were never meant to be. Something better is bound to come along, even if it means being "on the bench" for a while. But, "bench time" is the time you should be spending polishing your resume and marketing materials, revising your web site, prospecting for work and otherwise keeping busy. Because, as I mentioned at the outset of this paper, when you are an independent consultant you eat what YOU kill. So, if the animal you thought you had in your sights ready to kill wanders off unexpectedly, you should be preparing your weapons to go out and get the next one that comes in to range.

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