

Paper 229-26

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

Andrew H. Karp

Sierra Information Services, Inc.
Sonoma, California USA

Seven years ago I slipped the bonds of corporate life and started my own SAS Software consulting firm, Sierra Information Services, Inc. This paper describes ten things I wish I knew before I took this step, and will hopefully help others who are considering "going out on their own."

Making the Transition: Initial Considerations

My transition to independent consulting was aided by several factors. First, I received a generous severance package from my then-employer, Pacific Gas & Electric Company. 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 with them 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 in the San Francisco area for leads for work. Finally, I 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. During my stint at that job I learned a great deal about proposal writing as well as about client and engagement management.

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. First, 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.

While still working in industry I had a chance to do a few small part time consulting projects and really enjoyed doing them. I enjoyed the technical challenge as well as the opportunity to do my best work unencumbered by corporate politics. So, I decided to strike out on my own.

Well, seven years later, I am still an independent SAS Software consultant. I've had--and continue to have--a wide range of unique experiences that challenge both my technical and consulting skills. From a personal standpoint, I am much happier about my professional career and life direction now than when I worked in industry. But, along the way I've learned some pretty important lessons and those have been distilled in to the "Ten Things" that form the core of this paper.

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

An independent consultant is exactly that: independent. You either have to perform all the 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 for work, networking with others, and attending SAS Software user group meetings. When you work for a big company functions such as payroll, network administration, 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.

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 downsized efforts.

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 not the case when you are a one-person shop.

When you are an independent consultant you should expect to work far more than 40 hours in a week. Many of those working hours will not be directly billable to a client. 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." He was quite right about that!

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. Attending SAS training classes ranks pretty high on my list of useful non-billable activities, because I can usually apply what I learn in them to client work (and, attending at least one course a year is required to maintain my firm's Quality Partner™ designation from SAS Institute). Also high on my list are attendance at user group conferences and other professional meetings, as well as networking with colleagues. Much lower on my list are things like dealing with recruiters who really have no idea about the market for SAS Software professionals and talking to telemarketers.

#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 amount of the invoice more levels of approval--and longer amounts of time--are required to get you paid.

At the outset of your engagement ask that your client 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 48 hours after

invoice presentation just by typing "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 it.

Part of your negotiations with a client should include an understanding about how they want your invoices prepared and how long it will take them to pay them. My policy is to not accept assignments where I will have to wait more than 30 days after invoice presentation to be paid. When possible, I try to negotiate a shorter turn-around time.

It is highly unlikely that you will be paid in advance for your services as a SAS Software consultant. Retainer-type arrangements are very rare, especially at the outset of a consultant-client relationship.

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. Anything longer than that becomes 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. Personally, I don't like being in a situation where my pay is dependent on some other, exogenous event (such as a lawsuit settlement) occurs.

#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 potentially 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 willing 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 to sever from 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 clients, 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 to sign the contract, and one of the firm's owners became quite verbally abusive towards 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 call from an attorney who was 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 bills, 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 CPA 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), 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. It is not uncommon for the IRS to audit ALL of a firm's clients once they find a pattern of inappropriate deductions with one or two of the firm's clients.

Most accounting firms will also provide useful ancillary services such as payroll tax report preparation and bookkeeping. I've been working with the same CPA for about six 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 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 handling 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.

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 an hour 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 Pay Your Taxes, Or Else

If you are an independent consultant you will have to deposit tax withholding payments to both your State and to the Federal government on a periodic basis. How much you have to deposit, and when, depends on how much you are paying yourself and whether or not you're a corporation or sole proprietor.

Regardless of your legal organization, the quickest way to wind up paying substantial sums in interest and penalties is to not make your tax deposits on time. And, if you have a pattern of not paying on time, both the state and federal tax authorities can lien your accounts or otherwise make your life miserable. Once you are targeted for late payments, the state and federal authorities will be relentless in ensuring that you pay up.

The biggest mistake I made was not setting up an accounting system and having an accountant guide me through the tax withholding process BEFORE I started paying myself from my company checking account. This cost me a lot of money in penalties for late payment of payroll taxes. I've learned my lesson. Now, when I pay myself I also make the tax deposits at the same time.

#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 it's 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 anymore work on the whizbang project until you re-authorize 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 applying "completed staff work," what you've done is not thrown the problem back in the client's face, but 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!

#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 take unnecessary abuse from a client. As I discuss below, there is plenty of work available for competent SAS Software professionals who have both good technical and client management skills. If a client cannot engage in a professional and respectful relationship with you, there's no reason why you should suffer. There have been a couple of times when I've resigned engagements because it was clear that things just were not going to work out. (See #3 above).

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, 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. You also need to be careful to avoid what I've come to call "resentful demoralization by 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 things 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. 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. If the client manager says she wants you to visit a manufacturing site where a hard hat and safety goggles are to be worn, then comply with those requirements fully.

I have had a couple of very bad "resentful demoralization" issues that could not be resolved no matter how hard I tried. Some years ago I worked briefly as a contractor in an organization where the full time SAS person 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

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. 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 Quality 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 few extra dollars 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. It's not helping your professional image when your three year old answers the business phone and says "Mommy's doing poo-poo right now" before slamming the phone back in the cradle.

If you want to be an independent consultant then you need to network, network and network some more. Getting involved with your local and regional users SAS Software users groups is an obvious 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 conferences. Adding references to the papers you've presented at a regional SUG or SUGI conference suggests to potential clients that you have some subject-matter expertise that others feel is worth sharing.

You should never, in my opinion, turn down a chance to share your expertise with others. Once or twice 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?" Well, it does not quite work that way. By giving papers at user conferences I am able to (hopefully) present myself as a subject-matter expert to people who are likely to either hire me, or influence the hiring decision.

I remember vividly an incident at the 1997 SAS Users Group Australia meeting I attended in Sydney that illustrates this point. At morning tea two people from the Health Insurance Commission of Australia, a major SAS user in the Australian federal government, and I were chatting. (The HIC is roughly equivalent to the federal Health Care Financing Administration in the USA).

When I told them I was planning to visit Canberra, the federal capital city of Australia, after the SUGA 97 conference, they enthusiastically asked me 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. 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 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 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 staff. This has paid off handsomely for me, as I now go to Australia once or twice a year to give training seminars and I can always count on attendees from the HIC when I present them in Canberra.

The moral to the story is that you should never turn down an appropriate opportunity to share your expertise with others, or to cooperate with folks who can help you in the future.

You may also want join other computer software user group organizations, such as the Independent Computer Consultants Association, or to consider joining the local Chamber of Commerce or Rotary Club. While the latter two groups are not usually populated with people dying to hire SAS Software consultants, community service is often good for the soul and enhances your image in the community.

Another way to get "out there" is to teach a class in some aspect of the SAS System in the continuing education arm of local college or university. If you do, be very careful to not run afoul of policies that will probably forbid you from soliciting work from students. When I taught at UC Berkeley Extension I was prohibited from distributing my resume or other advertising to students (I was only allowed to give them a business card), and most other educational institutions will have the same sort of policy, which is only fair, since the people coming to your class want to learn from you, not to be hustled by you. But, but by teaching a class you establish yourself as a "expert" and get a lot of visibility. You'll probably get a few inquiries about your availability for consulting work just from having your name in the course catalog.

Designation as a SAS Institute Quality Partner™ certainly helps in your marketing efforts, but don't expect your telephone to melt from all the calls you expect to receive either directly from prospective clients or from SAS Institute looking to subcontract with you. The QP program is a marketing and business relationship between the SAS Institute and entities that meet the criteria for participation in it. It is NOT a certification program.

You can easily learn whether or not participation in the QP program makes sense for you. There are requirements to be in it, including providing client references yearly, attending at least one training class a year, passing the SAS Certified Professional™ exam, and leasing the software at the special QP program rate. This relationship with SAS Institute is therefore not for everyone.

As much as I am not a big fan of certification programs, it probably won't hurt to take and pass one or more of the SAS certification exams. It is one of those things you can put on your resume to impress your clients.

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 deduct a significant portion of the hourly billing rate for their services.

This is often a contentious issue between firms and consultants, but keep in mind 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 contractors affiliate with designated firms to avoid "contractor vs. employee" hassles with the IRS.

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!

#9 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. While writing this paper a client for whom I had last worked five years ago called to ask me if I could come back and assist him on a new project. Given the demand for competent SAS Software talent (see #8 above) 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, keep in mind that it is important that client organizations maintain a good reputation among consultants. 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.

#10 If I 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 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.

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 non-technical 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 a full time contract. 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 seven 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 attend the SEUGI conference once so far, as well as annual SAS users group meetings in Australia and New Zealand. I've also been honored to present training seminars in Australia, New Zealand, England, Scotland and Belgium, thus bringing me in to contact with professional colleagues in these and other countries. And, I appreciate the chance to have shared these insights with you as an Invited Speaker in the Professional and User Development section at SUGI 26.

Acknowledgments

I would like to thank our Section Chair, Michael "Mad Doggy" Davis, for inviting me to give this paper at SUGI 26, and to Deb Buck, who had asked me to give it at SUGI 25 until scheduling difficulties preventing me from doing so. I also want to thank the CONSUG (Consultant's SAS Users Group) to whom I have presented several papers on different aspects of being

an independent SAS consultant, and to the many consultants with whom I have had a chance to swap stories about both good and not-so-good client experiences.

Author contact

Andrew H. Karp
President
Sierra Information Services, Inc.
19229 Sonoma Highway PMB 264
Sonoma, California 94115 USA
707 996 7380
SierraInfo@AOL.COM
www.SierraInformation.com

Copyright

SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc. in the United States of America and other countries. ® indicates USA registration. Quality Partner is a trademark of SAS Institute Inc. Other brand or product names are registered trademarks or trademarks of their respective companies.