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Three Views on Consulting: A Panel Discussion

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ABSTRACT

There are many reasons that people become and continue to be consultants. There are also many different approaches to consulting. This panel will look at consulting from three different points of view. One panelist works on-site for clients and uses several different agencies to find positions. Another panelist works off-site in his own office. The other panelist works from home part-time and goes into the consulting company office part-time. The pros and cons of different approaches will be discussed. There will also be an opportunity to ask the panel questions about consulting.

INTRODUCTION

The authors would like to thank Deb Cassidy for inviting them to present at SUGI 27. Deb gave each of us a nickname based on our different consulting arrangements.

Ted "The Floater" Fish works on-site for clients. He uses different agencies to find him work. Ted is a Canadian and has worked in Canada and the U.S.

Debbie "The Family" Tinsley works part-time from her home and part-time from the company office. The company consists of seven people. They work together on sharing ideas so they are like a family on some projects. They are in Indianapolis but have clients nationwide.

Bill "Lone Wolf" Viergever is the entire office. He does everything from getting the clients to all the coding - do you even have to take out the trash? Bill is based in California. His wife didn't want him at home so he had to have an office.

NINE REASONS FOR CONSULTING

By Ted Fish

TED'S INTRO

Consulting has been a good experience for me. I am now in my tenth year as a consultant. I have had the good fortune to work with great people on a number of interesting projects in a variety of industries.

During my first year as a consultant a corporation was set up so that contract work could be done on a corporation-to-corporation basis. Almost all of my consulting work has been done through agencies and all of my consulting has involved working at client sites.

There are trade-offs between working as a full time employee and working as a consultant. At any given point in your career it may make more sense to be an employee or to be a consultant.

In this section of the paper I will discuss nine of my reasons for continuing as a consultant. My reasons are based on my experience working on site, through agencies and on a corporation-to-corporation basis.

PEOPLE

The advantage I've had of being a consultant working on site is that I have been able to work with and get to know a lot of great people. Even as a full time employee there are opportunities to

move to different areas in an organization and work with different people, but these opportunities are usually limited and may not be available as often as you would like them to be.

For me the people I am working with are more important than the technology or the project. This means that when a contract is over there are times when I would be happy to stay longer and then there are other times when I am happy to move on to a new opportunity.

Telecommuting will probably continue to grow for both consultants and full time employees. It makes sense. Office space expenses can be decreased and the time and expense of commuting to the office can be decreased. I'm looking forward to consulting opportunities that will allow me to telecommute. A good balance in telecommuting will hopefully mean that there is still some regular time to meet face to face with co-workers.

PRODUCTS

I've been fortunate to work in a number of different industries that deliver different products and services. This includes pharmaceutical, banking, insurance, retail, oil, steel and railway. Working in the different industries has meant a lot of learning. This has been fun and kept my interest level high.

One of the main reasons that I have been able to work in such a variety of industries is that I have used different agencies to find me the contract opportunities. Often companies will have a preferred list of agencies. In order to consult at certain companies it is easier to go through one of these preferred agencies.

These agencies provide marketing and accounts receivable functions for me. In addition to finding opportunities for you, most agencies will pay you before they receive payment from the client for whom you are working. By performing these services, I see the agencies as working for me rather than me working for them.

Almost all of my contracts have been through agencies. Although I have used a number of different agencies about half of my contracts came through one agency. I liked working through this agency because they had the contacts for a lot of good opportunities as well as the fact that their cut of the hourly rate was lower than other agencies I have worked with.

PROJECTS

Consulting often provides the opportunity to work on 'high profile' projects. When an important project comes up or suddenly gets bigger then often the call goes out for a consultant. There may be no time or head count available to hire additional full time staff and by the time the budget to hire the consultant has been approved the profile of the project is even higher. The bottom line is that if a company has gone to the trouble of getting a consultant the project is usually fairly important and interesting.

PRESIDENT

You can be the president of your company. The title is not important to me but setting up a company has proved to be a good move for me. Setting up a corporation has certain tax advantages but requires spending a considerable amount of time doing bookkeeping, discussing tax issues with my accountant and filing both personal and corporate tax returns.

PROFESSIONAL DEVELOPMENT

You can attend SUGI and participate in other conferences and training that you think are important to your career. The downside is that as a consultant you will likely have to pay your own expenses for conferences and training. As a full time employee you would likely get all your expenses paid but you would likely need to get approval from someone else to attend SUGI and other professional development opportunities.

PAY

You have the potential to earn a higher income. Many of the consultants I know do earn a higher income. They usually do not take much time off for vacation or for professional development activities like courses and conferences. They also have to obtain their own benefits.

Since independent consultants do not get paid vacation, this often makes them reluctant to take very much time off for vacation. Some of the benefits full time employees receive can add substantially to their total compensation. These benefits can include things like payment for continuing education and stock purchase plans.

POTENTIAL FOR VACATION

You have the potential to take more time off for vacation. Again there is a trade-off here. If you take more time off for vacation you will earn less. I have found that it is easier to decide to take time off than it is to decide to go back to work. At the end of a contract you may decide to take a month off. When the month is over however it may take another month to find your next opportunity.

POWER

You should feel more in control of your career. As a consultant I feel that I have more control over when I work, where I work and what kind of work I do. The reality is that there are limitations to these choices. The choices are limited by the opportunities available.

POPULAR SOFTWARE

Most large companies use SAS® Except for two short contracts, when I first started consulting, all of my contract work has been done with SAS. My shortest contract was for six weeks with a steel company and it was done through SAS Institute (Canada). My longest contract lasted for two years and four months and it was with a bank. That contract also started out as a six-week contract but ended up going through a number of renewals. Most of my contracts have lasted between four to seven months. I've sometimes been asked why some of my contracts are so short. My response is that you can get a lot done with SAS in a few months.

TED'S CONCLUSION

In my last position as a full time employee I worked with a number of consultants. Two of them gave me two good reasons for getting into consulting.

The first consultant told me that the reason he got into consulting was that it allowed him to make a higher level of compensation and continue to do technical work. The other option for higher compensation, as he saw it, was to move into management and he preferred the technical work.

The second consultant told me that at his first job as a full time employee, someone came by to ask him when he wanted to take his two weeks of vacation. He had been a student and had done a fair bit of traveling after he finished school. He found it hard to come to terms with the fact that he would get only get two weeks of vacation in his first year on the job. He soon became a consultant and he would take long vacations between his consulting assignments.

Consulting can be great for many reasons but there are trade-offs.

A TEAM APPROACH FROM THE HOME OFFICE

By Debbie Tinsley

DEBBIE'S INTRO

We at TEC Associates have a unique working arrangement. We have one central office where we have meetings and work together on projects, but our individual offices are located throughout the Indianapolis area in our homes. Although we are located in several physical locations, we still use the team concept as our approach to projects.

CONSULTING EXPERIENCE

I have had experience working for several different types of consulting companies. I have been an hourly consultant working on-site and a salaried employee where a large percentage of the project's money went towards the marketing department, overhead, and offices for executives. With these arrangements I commonly found myself crammed into a cubical with several other consultants or at a desk in a hallway trying to code.

Currently I am an employee of TEC Associates. I enjoy working with our team and having my individual office at home where the majority of my work is done.

THE TEAM APPROACH

There are seven employees at TEC Associates. We have over 100 years of SAS® experience between us. We are a SAS Alliance Partner and have been since the beginning of the program over five years ago.

Our industry focus is healthcare. We have many years of experience working for Blue Cross Blue Shield plans and have worked with various types of health care programs including POS, PPO, HMO, Medicare A & B, and Medicaid. We have worked in areas such as marketing, actuarial, health economics, utilization review, benefit analysis, HEDIS reporting, and fraud and abuse. We have also worked in the telecommunications industry, the manufacturing industry, and some with educational systems. TEC Associates staff members have extensive knowledge in Base SAS, but each has a different focus in system design, system development, project management, and knowledge of other SAS products.

Many of us have now been working as a team for over ten years. This has helped us to create a consistent methodology when dealing with data and reporting. Each member is familiar with the team expectations and understands the effort required.

Advantages to the Client

The strength of our approach to projects for the client is the fact that we work together as a unit. When TEC Associates is hired, you get the TEC Associates team, not one person. TEC Associates staff are all SAS programmers, but SAS and the computer industry require many skills; more than any one person could know. We support our customers by matching skill sets and working as a group.

With our experience combined, we have encountered many different situations regarding old and new systems, coding complexities, and data issues. We are prepared for the client's needs and expectations. The clients receive the benefit of having a wealth of experience implement their project to make sure their goals are reached in the most efficient manner possible.

When a project comes in, it is dissected into its parts based on the skill sets needed to accomplish the task. While we overlap skill sets in a number of areas, some team members have more experience from related projects or enjoy performing certain tasks. Individuals are assigned segments of the project based on the criteria and team member requests. This allows our team to work on various parts of the project simultaneously to ensure the project is completed in a timely manner.

We regularly do system walkthroughs for accuracy. This keeps other team members apprised of the project as back ups to cover if the need arises. The client has less fear that a consultant will leave and their system will not have the required support.

Advantages to the Consultant

The major advantage of the team approach to the consultant is having someone available for assistance. This is important for the consultant's comfort level. When we have a question about hardware, connectivity, coding, graphics, Internet, or data situations, there is someone on the team that either knows the answer or is familiar enough with the situation or technology to get the information quickly.

The majority of our work has involved complete system development including data warehouse, reporting and data analysis, and user interface development; both Windows and Web. We have had very few 'code as told' positions. We have been able to help clients make better use of their data. This tends to be the type of work we enjoy.

We also have the ability to have one team member receive training on new technology, then train the other members as needed or time permits. The team member can update us with examples that apply more directly to our real world situations. This keeps us updated on new technology, yet our company does not have to close down for training.

Disadvantages to the Team Approach

While we have had no down time in five years, there is always the concern that we need to keep enough work for seven of us. So far this has been only a concern in the back of our mind. We hope it stays that way.

THE HOME OFFICE

Advantages to the Client

Our clients benefit from off-site consulting in many ways. Clients do not have to worry about finding a location for a temporary employee, putting in a phone line, having voice mail set up, finding an extra computer, or other operational needs. Our offices are already set up. We use our own equipment, which we are familiar with. We have our phone lines in place, and our voice mail is activated. The printers already communicate with our computers, which are loaded with SAS and ready to go.

Another advantage to the client is the accessibility to the office at any time for the consultants. When a brainstorm hits at 8:00 p.m., we can go into the office to check it out. It is easier to work a few hours on the weekends. This is especially helpful with aggressive due dates.

Downloading can be done during non-peak hours. Long running jobs or those that run at night are more likely to be checked or restarted since the consultant has that capability without leaving home. We do not have to worry about the safety issues of being alone in an office building late at night or walking through an empty parking lot. Consultants with an office in the home are much more receptive to these tasks.

Distractions can usually be kept to a minimum in our offices. With no coworkers stopping at the desk to chat about the weekend or standing by the coffee pot to discuss their evening plans, there are fewer interruptions. The hours spent in the office tend to be more productive.

There are times when consultants have to wait for information or data before continuing on with the project. The client does not have to pay the consultant while they are waiting on-site. For some projects, this can be a big cost savings.

With today's technology, companies located in areas that do not have large numbers of technical professionals can now hire telecommuters and receive the same development and support as high tech regions of the country.

Advantages to the Consultant

There are many advantages that go along with having an office in the home for the consultant. The detail to hair and makeup is drastically different. Business casual takes on a whole new meaning. The work clothes are great, and we do not consider it a problem that our business suits are gathering dust.

Due to our physical location, many days we can put in a load of laundry, take the dishes out of the dishwasher, or mow the lawn during our lunch hour. We can even start dinner during an afternoon break. One would think this would allow a consultant working out of the home to be organized, living in a clean house, with a well groomed yard and warm evening meals. Unfortunately, what it usually means is that we completely lose track of time while working on a project taking no lunch hour at all. With fewer distractions, it is easy to concentrate on the task at hand. Before long, we have worked the day away. This definitely makes the workday go by fast.

It also helps to be able to shift hours while working on a project. As long as we are available to respond to inquiries in a timely manner, we have the advantage of periodically taking personal time during the day. Hours can easily be made up by working during the evening.

Another advantage to working from home is the drive time is minimal. We have little wasted time sitting in traffic jams or having to park blocks away from the office. We save on gas money, wear on our vehicles, and parking fees. Weather conditions do not pose any threat in keeping us from the office.

Disadvantages to the Home Office

There are a few disadvantages to being a consultant when the office is in the home. One disadvantage is that work is never very far away. When items have aggressive due dates, it is tempting to spend days, nights, and weekends working on them. It can become hectic with the feeling of never getting away from work. So far, these stressful times have been offset by the flexibility of hours after the due dates are accomplished.

It is sometimes more difficult to develop that feeling of trust between the client and the consultants due to the fact they are not physically seen everyday. Once the completed tasks quickly start coming in, the level of trust usually increases dramatically. With our repeat customers, this feeling of confidence is already in place.

It can be difficult to work when other family members are home. They have to be trained to not answer the work phone line. It takes them a while to realize the consultant is really at work even though they are in the house.

It is harder to meet people for social interaction. Many times working in an office building, you meet people in other departments or even other companies. Working from home, we are not in these situations as often making it more difficult to generate social relationships.

MARKETING

Finding projects has never been a problem since TEC Associates' inception in January 1997. Our president, Diane Brown, established a network of professional contacts through Users Groups, professional organizations, and SAS Institute long before the company started. Due to these contacts and our continued successful work with our customers, we have had plenty of work. We have seen a slight decline in 2001 due to economic reasons. Our best marketing tool is doing a good job for our customers!

We are currently expanding our business to include not only consulting services, but software development and sales as well. Our years of experience in healthcare reporting and more recent experience with reporting in other industries have given us tremendous insight into the capabilities needed to support reporting. We have found that off the shelf reporting tools are not adequate. They do not have the required business intelligence or complex data handling capabilities.

TEC Associates has developed a healthcare reporting product called The Smart Reporter; a Windows GUI for report generation. This product has the look and feel of an off the shelf reporting product, as well as healthcare business intelligence and the complex data handling required for healthcare reporting. In addition, the product contains algorithms to insure that data is handled properly; thus reducing the possibility of producing a report that runs, but the results are wrong. End users can run a starter group of reports that is provided with the product, as well as incorporate their own reports in the interface. A smart WHERE clause can be built through the GUI that has the intelligence to combine multiple healthcare claim types. Output can be one or more styles including pdf, txt, Excel, SAS, rtf, and html. Future development will extend to other industries, offer additional reporting products and capabilities, and provide a methodology for building a report from scratch through a point and click interface. The Smart Reporter has been very helpful in our marketing strategy.

DEBBIE'S CONCLUSION

When we first started our company, telecommuting was relatively new. Now many businesses realize the benefits. A home office combined with the team approach is not only the best situation for me; it can be a tremendous advantage to a client.

DOING THE ONE STEP BOOGIE: INDEPENDENT CONSULTING IN A SINGLE MARKET

By William W. Viergever

BILL'S INTRO

I have been a SAS® "code-dog" since 1975 (whilst doing a grad-school econometrics class forecasting project); have worked in many facets of the healthcare industry since 1980; and have been an independent healthcare consultant since 1989.

PRE-CONSULTING WORK EXPERIENCE

I went to work for a Santa Barbara healthcare research with a national client base after passing my Econ Ph.D. prelims in 1980. Some seven years later, after a corporate buy-out, I left for Sacramento where I ran the analytic department for a national PPO (Preferred Provider Organization). Then they got bought out and a promised vice presidency did not materialize. If that wasn't enough, I found myself putting in close to 300 hours some months, only to find that after the buyout our profit sharing was gone and the owners had given themselves \$50K raises. I got mad as heck and wasn't going to take it anymore!

So I left.

This was not quite as impetuous as it may appear. I learned a lot in both jobs; good technical and project management skills, of course, but also a lot about corporate politics (was it Peter Drucker who said managing wasn't limited to just those below you?) and had been mulling over the prospect of going out on my own for a year or more

So I did it. I rented an office; I paid over \$10K for a 386 PC with 2 650MB ESDI hard drives, 16MB of RAM, and did OS/2, SAS, Word Perfect, Lotus 123 and Freelance Graphics. I was in heaven!

If you read a book about starting a business and they get to talking about "working capital" – pay real good attention, for I venture they'll understate the true need! Seriously, I thought I had enough to run with, but with a wife and two kids (and a third followed shortly thereafter), and with first year income roughly one third of the salary I had left behind, the start-up monies ran out fast and credit cards seemed to be the only source of financing for the small business.

Marketing went slow, so survival needs found me hanging my hat with an agency and landed an engagement with the state. In the meantime, I put out lots of paper. I landed another contract with California's free-standing SNF (skilled nursing facility) association, and about a year later, a strange engagement where I did work for LA County (I was doing mainframe runs to provide projections for a legislative bill LA County was running) but was paid by a couple of hospital holding companies that wanted input into the final form of the bill.

Bit by bit, project by project, you wake up one morning and you feel like a paraphrased George Clooney in *A Perfect Storm*: "I'm an independent consultant, is there anything better in the world?"

To date, I provide services to a variety of clients ranging from the State and selected California counties, to individual community and teaching hospitals, hospital associations, and hospital holding companies/chains, to self-insured corporations, to Taft-Hartley Labor-Management (union) funds, to physician groups, to other healthcare consultants, PR firms, and law firms.

I mainly work out of my office, but on a few engagements, I have worked a day or two per week on-site.

And as you can see, I do healthcare, and only healthcare.

WHY I DO BUT A SINGLE MARKET

Because I was chicken! <g>

Actually, by the time I went out on my own I was 35 and had almost 10 years doing healthcare and SAS for pay. Being versed in classical econ, I followed David Ricardo's lead and focused on my "comparative advantage" which, in my case, was my *combined* knowledge of healthcare data and SAS. In the mid to late 80's, hospitals were still not real savvy with computers, and with fairly drastic changes occurring in reimbursement models, I perceived a demand for quantitative healthcare data analysis services. Having dealt with folks ranging from the data center night operators to the Boards of Directors for Hughes Aircraft, Texas Instruments, Safeway, B of A, and Pac Bell, I found I could talk to both, and as such, often became a liaison between management and IS on many engagements. It amazes me still to observe the disconnect between the two groups within client organizations.

TO HOME OR NOT TO HOME (OR TO OFFICE)

Working out of the home was never an option for me as 1) we have only a 3 bedroom house and 2 (later 3) kids, and 2) my wife wouldn't let me for she didn't want me around the house fearing household entropy would translate into an inefficient consultant. So I rented a 400 sq. ft. office.

One of my co-authors describes many client benefits from off-site consulting; all of them hold for office-based consulting as well. However, let me emphasize one I perceive as key. I provide the requisite computing power.

Thus, other than getting the initial data, the client's IS folks are typically not involved, nor am I spending any of their budgeted computer monies. This is, perhaps, less of an issue these days as more and more companies are realizing just what they can accomplish on a PC; however, not so long ago, getting IS to do any custom runs, let alone getting a client computer dial-in

account and cycles was not easy. So when I tell them I can handle their mainframe data locally, they often get excited.

MARKETING

Finding projects was rough at the start, but by playing in a single market, word of mouth travels fast, and to this day I have never had to do cold-call marketing.

I have been lucky in this; good work done and happy clients makes for the best marketing – in my experience. I suspect I should do more formal marketing, but then would be concerned about taking on too much and losing control of turn-around and quality.

BILL'S CONCLUSION

When I too first started my company, telecommuting was relatively new; as Debbie mentioned, now many businesses realize the benefits.

Thus, the opportunity for others to do off-site consulting is theirs for the taking.

CONTACT INFORMATION

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