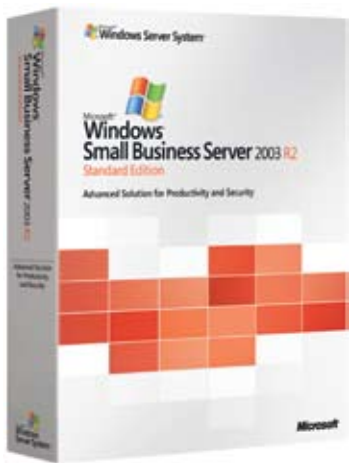




By Partners
For Partners



Building Your Small Business

Selling Microsoft® Windows® Small Business Server

Written and compiled by
Andy Trish
Arlin Sorensen
Dean Calvert



By Partners
For Partners

Creating a successful business isn't always as simple as it sounds; a lot of hard work has to go into it just to break even; and making a profit is even harder.

By partnering with Microsoft and selling Microsoft® Windows® Small Business Server to your clients, you will open up a whole range of service-related options, helping you grow a profitable business with the security of a reliable, solid software environment behind you.

If you are a small business looking to make it big in the world of Information Technology, then read on—these tips from three leading companies specialising in selling Windows Small Business Server will help you achieve just that.

Unique in content, this booklet, written by partners for partners, is designed to help you expand your business as well as help you understand how to use Windows Small Business Server to make money. You will see different points of view, a different style of writing, and alternative suggestions to help you succeed. We hope you gain from our experience.

Because this booklet was written on three separate continents, we ask that you forgive any spelling interpretations you may find. After all, what language is English (U.S.)? (Sorry, Brit humour.)

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This booklet is dedicated to Elyn Yao, Aanal Bhatt, and all in Small Business teams globally who have given us a product we can not only work with but one that offers so much potential for partners and customers alike.

Also to Charlotte Carter, Jason Goddard, Darren Harbaugh, Bob DiTolla, Greg Cooper, Greg O'Donnell, John Kerferd and all the other Microsoft Account managers who have to put up with us guys out in the field.

We have learned much through the opportunities we have had to work with each of you. You have made a difference in our businesses. Because of our partnership with Microsoft, which includes you and many others, the three of us have become friends and mates in this crazy industry we all love. A Brit, Aussie, and Yankee would never have connected if not for the opportunity to work with the great teams at Microsoft.

The Windows Server® Solution Group team makes continual efforts to bring partners together in ways that build each of us and help us grow and become better. Elyn and Aanal lead that charge and for that we are grateful, on behalf of thousands of partners around the world.

And finally to our wives, Lynn, Nancy, and Vivienne, who have supported us all along the way, we are eternally grateful.

II Introduction

In 2006, Microsoft invited three business people from different parts of the world—who had not only made a profit selling Microsoft products, but had become leaders in their respective fields—to tell the first Microsoft Small Business Symposium in Boston, USA how they did it.

Andy Trish from NCI Technologies Ltd in the UK, Dean Calvert from Calvert Technologies in Australia, and Arlin Sorensen from Heartland Technology Solutions in the United States were all guest speakers at the seminar at the invitation of Elyn Yao, Group Marketing Manager for Windows Small Business Server. The ideas each person came up with to help make their businesses outstanding successes were similar in format even though they had never met before. Also speaking at the seminar was Janet Waxman from IDC, the premier global provider of market intelligence.

NCI Technologies Ltd, based in Penryn, Cornwall, UK was founded in 2004 with the sole intention of providing IT service and support to local businesses. Three network engineers working together to combine their experience and skills created the company, whose main focus was the small-to-medium business market. Just three years later they had beaten their previous year's turnover of \$2 million, had 14 staff and 9 Microsoft competencies—all started off by using a credit card.

A great deal of hard work and good decision-making contributed to their success; one of those decisions, they say, was embracing the Microsoft partnership and becoming a Gold Certified Partner in 2005. In 2006 NCI achieved finalist status in the Microsoft Worldwide Partner Awards for Advanced Network Infrastructure solutions. Now the leading network support company in Cornwall, UK, NCI are continuing to expand their services and their company selling Windows Small Business Server.

Heartland Technology Solutions is headquartered in rural Harlan, Iowa, and was founded in 1985. Arlin Sorensen leads the company as CEO/President. The company's original charter was to provide farm accounting systems to area farmers but quickly changed to focus on serving small businesses across the Midwest. During the next 15 years, the company, then doing business under the name of parent company Sorensen's Computer Connection Inc., became a Microsoft Gold Certified Partner with 36 employees. At that point the company began a strategy to increase the coverage footprint and to become a regional solution provider; an aggressive merger and acquisition plan was put in place.

HTS has merged with or acquired five other companies during the last five years and grown into the 75-employee company that today provides regional service from offices across five states—in Harlan and Ames, Iowa; Joplin, Missouri; Wichita, Newton, and Hutchinson, Kansas; Muskogee, Oklahoma; and Omaha, Nebraska. Focusing on the Microsoft platform, HTS has competencies in Advanced Infrastructure, Network Infrastructure, Information Worker, Licensing and Mobility. Their company is living, breathing proof that there is opportunity everywhere if a business truly serves its customers. The phrase "if you build it they will come" is never truer than in the case of HTS. Iowa truly has been a "field of dreams" for HTS, and that has become a reality as they continue to serve SMB customers all across the Heartland.

Calvert Technologies, based in Adelaide, South Australia, was founded in 1995 by owner and Managing Director, Dean Calvert. Calvert Technologies, a Microsoft Certified Partner, has grown to be Adelaide's premier provider of IT products and services to SME businesses and was the state's first Small Business Specialist. Calvert Technologies is a network infrastructure specialist, designing, supplying, implementing, and supporting networks for businesses covering a wide range of industries—from retail and manufacturing to professional services, non-profits, and healthcare.

During the last 12 years the business has undergone a constant process of refinement and development, which has helped it stay ahead of other businesses competing in the same market. Technical expertise, vision, business leadership, and staying honest with clients are all key components that make Calvert Technologies the winning partner it is today.

II Partnering with Microsoft and other vendors

Andy Trish

If you are reading this you are interested in or already have partnered with Microsoft.

Years ago I had to spend a lot of time persuading my old boss that paying a fee to Microsoft would benefit his company and show a return on his investment. The following year he desperately wanted to renew because the benefits could be seen throughout his company in many ways.

As soon as NCI was created, my prime objective with partnering was not only to sign up with Microsoft but to show them I knew partnering was a two-way thing. Within the first year we sold as many small business products as the big boys and had become a Gold Certified Partner. We have never looked back since. Our telephone account managers have been outstanding, every query is processed in double-quick time, and in return we deliver all the things we say we will, whether it be sales, reporting, partner events, or marketing.

A Microsoft partnership to me is not about being invited to a conference and running around as fast as I can collecting freebies, it is about commitment. In return for the services I get from the Microsoft partner team, I ensure all my staff are trained in the vast amount of Microsoft software that we sell, both technically and from a sales perspective. We beta test new products with a view to selling and supporting them on release, we promote Microsoft and their products on our Web site, and we speak to them regularly to find out what they are doing and what we can do for them.

At the last Small Business Conference in the UK, I asked the executives why Windows Small Business Server was not a part of the educational list and therefore unaffordable for smaller schools compared to the full blown server products. They answered that they did not know but would find out. Today as I write this I have had an e-mail telling me Windows Small Business Server 2003 has been put on the educational list this month and is available for sale through Authorised Educational Resellers (we are one). The moral of that story is if you want something and it makes sense to both partners, ask and you may receive.

I understand that as a small business yourself, your time needs to be spent with your customers and that constant phone calls and e-mails from Microsoft and other vendors can take away the precious time needed to sell. If you are finding it hard to spare the time yourself, consider assigning the task to another member of staff, or even asking your Microsoft and vendor contacts for other ways to get them the information they need.

A partnership isn't about what you can get out of it but how you can combine your expertise and help both companies be as profitable as possible. Microsoft and other vendors have a vested interest in your business becoming successful; work with them, use their experience, and you should see your company grow.

Don't forget there are many different benefits from partnering with Microsoft, dependent on your specialisations and levels achieved. Whether you are a registered partner with an Action Pack subscription or a Certified or Gold Certified Partner, I would highly recommend becoming a Small Business Specialist. Passing the Small Business Sales and Marketing Skills Assessment exam online, plus one of three technical exams, gives you access to premium content on the Microsoft partner Web site, including further specialist training, the use of the Small Business Specialist logo (a definite advantage in your marketing), listing as a Small Business Specialist in the Microsoft Resource Directory, and access to the exclusive Small Business Specialist newsgroups giving break-fix support within four hours.

As a Microsoft Gold Certified Partner we get access to a Technical Services Coordinator who is our first point of contact if ever we need technical help. Rashmi is my coordinator and she is absolutely fantastic with keeping me informed of any available technical training, product patches, and critical updates, and with sending me reports on my company's technical resource usage and much more. She is one reason getting to Gold is worth all the effort.

This booklet was created because the partners writing it wanted to offer help to others who are going through the growing stages. We don't ask for recompense; we ask that you learn from us and make fewer mistakes than we did. We offered the booklet to Microsoft to show we care, not only about them, but about you, too. One day you might be offering to partner with us and we want to help you do that.

We also partner with Dell and HP. Yes, they are competitors with each other but provide us with good leverage when it comes to bringing our costs down. Both partners have great things going for them and we market them both equally, in return we have managed to get the best credit facilities achievable for a company our age, a reputation for honesty, and the ability to sell reliable products at good prices.

Don't just jump into a partnership with anyone because they offer—you may find yourself stretching your ability to keep up with all their offerings—and don't be afraid to end a partnership if the benefits you expected, or the products themselves, don't meet your expectations. In the past, we've been offered fantastic commission rates and training with some vendors only to find the product wasn't good or the training wasn't worth the time. Also, look at your market because partnering with some companies may not result in sales if your customer base isn't right for that product. Never partner with someone if you have doubts from the start.

Sticking with one brand of a certain product is also advisable. We currently only offer one desktop antivirus solution to our clients, and the more we sell the more our partner gives us both in terms of commission and other benefits. It also helps us as a company because our engineers don't have to specialise in many different solutions, and can concentrate on supporting one product. It helps our sales team because they only have to keep up to date with one product's pricing structure, and it gives our customers confidence that the product they buy is in use by all our other clients.

We use many different distributors, depending on their prices and stock levels. We do tend to have favourites but sometimes even they cannot match the prices of the other distributors and, after all, our objective is for us to make the profit, not the distributor. We are upfront with all of them—if they have stock and can give us the best value for money then they get the deal (remember value for money is not always the lowest price).

TIP: You get good credit history and better rates if you use fewer suppliers and have more turnover on each account.

Arlin Sorensen

One of the strategies HTS has for success is to build deep partner relationships with our key vendor and distributor partners. As a technology company, we do very little alone; we need to work closely with vendors for products and training and need to have a reliable source of those items from our distributor. We truly do live in an ecosystem where many are dependent on one another for success, and one of the joys I get to experience now is the fruit of those relationships. It has not been an easy process, or a quick one, but it is definitely worth the work.

The key principle about relationships with vendors (I am including our distribution partner in this as well) is quite simple: "Investment will always precede reward." So many partners think of vendors in one way—as a source of funding for their spontaneous whims. Be it leads, marketing, funding, training, etc., relationships that last are never one-sided; they have to be win-win and both parties must contribute to make them last and be successful. Over the years I have worked extremely hard to build win-win relationships with our vendors. It has been frustrating at times and certainly a lot of work, and it takes a significant investment of personal energy just like any successful relationship does because of the tremendous intentional investments that must be made along the way, but the payoff is unbelievable if done well.

Step one is to realize it is not about me. When I work at building a new relationship my focus is not on what I can get from it, but what I can do to help my vendor succeed. I have learned that if I help them succeed, I can't help but succeed as well; so we don't talk initially about what I expect them to do for me but rather about what I am willing to commit to do for them. Things like getting people trained, achieving certain partner levels, purchasing demo gear to show prospects, attending events, focusing on their products in our marketing, and so on. As I lay my commitment on the table, they first respond with amazement but quickly want to do the same. Things like trainers, MDF funds, marketing collateral, event support, field resources, and more. This approach is so refreshing for many vendors that they hardly know how to react; often they are not sure they can really believe it, so it requires performance and execution on our part to prove we are serious. But given a little time it really does work.

Execution is probably the one thing that most vendors struggle with. Many partners quickly say yes to opportunities but few actually do what they say. If you want to succeed with vendors, you have to perform because they depend on their partners for their success, and partners who fail to execute quickly fall off the radar.

One of the quickest ways to succeed with vendors is simply to do what you say. That in and of itself will get you to first base with most any of them, but of course hitting timelines and doing a good job are also important to really do it right. One thing my employees hear over and over about vendor relationships is that "failure is not an option" when it comes to our execution on their behalf. If I give my word to our vendor partners to do an event, marketing activity, project, or any number of other things, I will not allow us to fail because I know there are thousands of other partners just waiting to step in and take our place. I understand that if we don't execute, we can be replaced and will be. This is not harsh; it is just reality. You have to perform if you want to build a deep relationship.

Returning calls and answering e-mail is another area where you can really set yourself apart. I have learned that many partners are slow or don't respond at all because they feel like they don't have time. When I get a request from a vendor, I understand they sent it because they need information now, not when I get around to it. If they didn't need it until next year they would not have asked today. The simple courtesy of responding quickly and completely goes a long way toward building a relationship. Vendors depend on partner feedback to develop many of the programs they bring to us. You can play a vital role and have immense influence on those programs if you simply respond in a timely way.

I also make it a point to ask my vendor field representatives how they are compensated; I can't help them succeed if I don't understand how they are paid. If you haven't figured it out yet, compensation drives behaviour; so you have to understand their compensation system to work effectively with vendor staff. They are tasked with achieving certain types of activities, and you need to make it a priority to help them succeed. It is about investing in them and helping them become as successful as possible, and as you do they will in turn find ways to invest in your company. This principle of mutual service always works. People don't go to work because they are looking for something to do—they work to earn a living. And finding ways to help them accomplish that will make a significant difference in the traction you get with your vendor field staff.

Vendors also really want to know how we use their products and services to build solutions for our clients. Too often they package and sell a product without any idea how it impacts the end user it goes to. At HTS we have become extremely disciplined in writing what we call "win wires"—short case studies or success stories that highlight the solution we deploy for a client and the impact it has made. We capture the details on the products used and the pain that it corrected. Customers provide some comments, and we create a simple one-page document that highlights that story. We then provide those monthly to our field-based vendor teams. Often they are passed up the chain in a vendor organization because it validates how things are happening in the real world. Because we can also use them for our own prospect marketing, it's a win for everyone.

Hitting a home run with vendors means being able to capture and report return on the investment they make with your company. At HTS, every vendor-funded activity now has an ROI report that is created and provided to the vendor. We use our Connectwise PSA system to track quotes and sales that are tagged with a specific activity or event, as these can then be pulled together into a report we provide 90 days later to help provide clear return on the investment made into our company. This is a huge part of vendor relationships—tracking the impact of the investment made and generating pipeline with opportunities pending and actual sales closed as a result. It will revolutionize how your vendors look at you.

The bottom line is that building deep relationships with key vendors is critical if you truly want to grow and succeed, so select vendors with a strong support of the channel, be prepared to make investment early on with very little apparent return, and keep after it as it takes time. If you are disciplined and focus on helping your vendor achieve success, those deep relationships will come; and you should soon find that they are making significant investment into your company and are a key part of your success. It is worth the hard work.

Dean Calvert

The key to partnering with vendors such as Microsoft, HP, and Cisco is to remember that ultimately it's people dealing with people. You have your personal and business goals and so do the vendors—you need to find out where these goals are aligned and then work together to achieve them.

I had a vendor rep call me in 2006 to discuss our sales performance for their products. They reported that, though we'd been doing quite well in selling their products, we were behind in achieving our sales budgets for them and they wanted to know what I was going to do about it. "Sales budgets?" I asked quite surprised. This was the first time I'd heard of us having a sales budget with this company and quite frankly I was more than a little astonished. I told them that not only was this the first I'd heard of such targets being set but also that I was focussed on achieving my own company targets and not those imposed by other organisations. Who were they to tell me what my company needed to sell?

I don't think they really understood what I was trying to tell them but, needless to say, I've not had any further calls to ask about our sales performance (we do still sell their product, though—and no, I'm not going to tell you who it was!). The point here is they were concerned only with their own goals and not in aligning them with my company's goals. We had completely different targets and at no time had they approached me to discuss setting targets in the first place, so for them to come to me and complain about poor performance (in their eyes) was just ridiculous.

When dealing with vendors and suppliers I make it quite simple for them. We want to do business with the companies we want to work with. We have targets that we set for ourselves and will happily discuss these with them. However, we don't want to be dictated to. Instead we will work with them to help us achieve our goals and stretch them as much as possible. Sometimes I've found our targets are higher than those the vendor/distributor has for us!

We try to limit the number of suppliers we work with in order to build solid trading relationships that help us both. I tell suppliers that we aim to be low-maintenance clients for them, that we don't always buy on price and so won't "screw them" for the absolute best price every time we contact them—they need to make a profit from the business we do together. However, when I do want some special assistance from them I expect to get it. It's "swings and roundabouts"—they get a lot of pain-free sales from us and make their (meagre) profit and every once in a while we'll push them for better pricing when needed or free freight or access to demonstration goods or access to marketing funds.

Just as I've recommended laying down the rules of engagement with clients from the outset, you should do the same with suppliers. Ask them what they expect of you as a client and tell them how realistic you think this is. Keep the lines of communication open and you'll find they will be more willing to work with you, helping you achieve your goals.

For several years I must confess I looked at Microsoft (and other major vendors) as a big company that was out of touch with the partners with whom it was engaging. Considering the size of Microsoft, how could they understand anything about what we, a tiny blip compared to them, needed or were experiencing? Over time, as I engaged more with Microsoft at partner road shows and other events, it occurred to me that Microsoft is simply a lot of people working together—this goes back to my opening line on this topic. It didn't really need to be Calvert Technologies working with Microsoft, it had to be Dean working with David or Kylie or Lorna or Mark or any other carbon-based life form. When I made this (albeit now obvious) paradigm shift the whole relationship changed and we've never looked back.

Sure people move on or change roles, but if you build up a network of contacts and work with them, you'll never be without a direct line of communication into the company.

I like to take the same approach when dealing with our clients—but that's something for another section.

|| Partnering with competitors

Arlin Sorensen

At HTS, our company policy is to engage another consultant or company when we are beyond our skill set. We do not pass on projects unless we absolutely cannot find a quality partner to meet the needs. We certainly cannot possibly fill all the needs that clients come to us with today. The breadth of the technology field is far too wide and even too deep for us to think about having all that talent internally. We have built our company depending on other partners to provide the breadth that allows us to be the total solution provider for our clients. That is our strategy and design. We find those partners by being actively involved in the industry—peer groups, affinity groups, educational and channel seminars, vendor conferences, etc. You have to be where partners are to build relationships and find companies you can truly trust and partner with. We have "go-to" partners for almost every area that our clients may ask us to provide, and we are continually looking for others we can offer in our solution matrix. There is no reason to walk away from business—partnering makes us "stickier" with our clients and keeps us in control. It is a critical success factor for us.

Dean Calvert

Let's face it, life would be much simpler and more profitable if there were no competitors, right? In reality, that's not going to be the case. In fact, your competitors can actually be an asset to your business when you find a way to work together for the benefit of your clients.

Let's start by looking at "competitors." A true competitor is a business that is just like yours, competing for the same clients in the same market space, offering the same products and services as your business, and aiming to provide exactly the same experience to clients. Based on this definition, how many real competitors do you have?

Probably not very many. After all, your business, like you, is unique. By realising this small truth you look at your "competitors" differently. They no longer become something to avoid completely.

Look at your own business skill set and those of the "competitive" businesses around you. Surely there are going to be some gaps in your business that you are struggling to fill for any number of reasons—gaps that mean you've lost income from selling products or services to your existing clients. By recognising these gaps as opportunities, and getting to know other businesses working in your space that have these skills, you can work together for the benefit of all involved.

In the same way, you can offer your unique skills to these other businesses in order to work with their clients. By establishing good working relationships with these other businesses, in particular getting the "rules of the game" clear so that you're not stepping on each other's toes, you're no longer competitors, fighting for the same customer but rather you are working together and sharing in even greater income potential.

For example, in our space it's rare for resellers of our size to have Cisco skills, which we possess. We work with quite a few other resellers, providing firewall and router configuration services for their clients. We get to work with clients (end users) we'd not normally have without having to spend time and money marketing ourselves to them and hence it's more profitable business.

Similarly we have teamed with a reseller that specialises in Microsoft CRM installation and support. We don't need to skill up on this ourselves as we pass opportunities to them and we can focus on our infrastructure specialisation. In my personal view it's better to do a few things very well than a lot of things with mediocrity.

Get to know the other resellers in your area and identify where you can work together to reap the rewards.

Andy Trish

Before you can decide whether to work with a competitor you have to define who one is. Both Dean and Arlin offer the same services to their clients as we do, does that make them my competition? They are both a few thousand miles away from my region so probably not, at least not yet. If all the customers in my region suddenly decided they wanted us to support them we wouldn't be able to cope with the extra work at once, so competition is good. If you think of them as keeping your customers warm until you have time to support them, it gives you a warm feeling when they do.

As your business grows, you will be able to provide more and more services to your clients, but the chances are no matter how big you grow you will always need to go outside your organisation to be able to offer your customers the whole package.

Working with competitors may go against the grain but this is the section that you need to read to understand that you simply can't do everything on your own. By joining forces with one of your competitors, yes, they can earn some money, but it gives you more hands to work with, making you money at the same time.

When NCI first started we had a good idea of the local market and who our competition was. We also understood that with three staff members we couldn't possibly do everything ourselves with only 24 hours in a day. Initially we even purchased stock from our competitors at a negotiated rate because we knew they had more purchasing power than a new company with no credit history. As time passed, we found less need to go outside our organisation, but that need will never fully go away.

One company we work with sells and installs hardware as an added feature of selling and supporting accounting software. They were finding it hard to offer support on the hardware in the area while, at the same time, we were being asked to support accounts software by our customers. We got together and came to an agreement; that has been so successful that they only use our services for hardware now while they concentrate on their core business, accounting software. Working with competitors can have surprising results.

The Small Business Specialist Community (SBSC) is all competitors working together to make their businesses better. Groups of likeminded IT professionals hold meetings in their area, discussing everything from antivirus solutions to ways to support their customers better. If there isn't a group in your area maybe you can start one. The benefits will become obvious after the first meeting.

|| Finances

Andy Trish

Making sure you have enough money coming in every month to pay off your suppliers is hard for any growing business. Having an even balance of offering your customers credit and using the credit terms you get off your suppliers never works out until you can build up enough resources to cover your outgoings.

TIP: Look at the market rate for the services you offer and don't try to price beat. Your objective is to bring in as much profit as you can before your overheads grow to reduce them. Your customer would get more upset with constant price hikes than a steady charge they are aware of. I am speaking as a business owner and computer network engineer never having done a financial planning course, so I offer this advice only based on my experience. A good financial advisor is worth paying for because they will save you far more than they cost, and you should always ensure your books are kept up to date because the legal implications of not doing so cost more than time repairing the damage.

Profits and stock levels will fluctuate every month, some months you may not even make a profit while others you will make a fortune. But without cash in the bank, your business won't be able to survive for long.

I sold my first three computers to a business by financing them first with a credit card, making a profit not just on the hardware, software, and install but I then also sold the client a support contract which was payable annually in advance. When they paid me, I paid off my credit card before any interest was accrued and had money in the bank to finance the next sale. The profit was negligible as it was only a small sale but my company now turns over in excess of \$2 million with absolutely no borrowing from the bank. I still have little or no money left in the account at the end of the month but my suppliers are all paid, my customer base has grown massively, and the profit has grown in proportion.

What you do with that profit in the early stages will determine how successful your business is going to be. Everyone needs to live, you need to pay yourself a wage, you also need to invest back into the company otherwise there will never be a pot of money for you to draw from.

Remember even big businesses that are very profitable can fail due to not having enough cash in the bank to pay their staff or suppliers, and you should always re-invest into the company. In Quarter 1 2007 the IT sector in the UK saw 165 corporate business failures. Half of this could have been avoided if their customers paid on time.

When we were only 6 months old we got a large order for monitors from a big client. The amount he was spending exceeded what we had in credit from our suppliers and what we had available in cash. The profit we would have made had we accepted his order was around 5 percent, which may sound small to some of you but 5 percent of a lot is way better than 20 percent of a little. The client had already stressed to us his conditions of payment, which were 60 days and, because he was a large customer who bought regularly, we lived with these terms, even though it meant that, because we had built up only a 30-day credit period with our suppliers, we had to find a large amount of money in order to service all the other accounts we had.

I tried negotiating in order to supply in stages or to reduce their payment terms, but he said that, because this was only a supply issue, he could buy from anywhere. He chose to buy from us because of the value-added services we gave him on other services. After much deliberation I refused his order. Later that month we received a letter stating that his company had been bought out and that, effective immediately, all suppliers would be paid only after 90 days.

Despite all the profit from previous orders, had I accepted that order my suppliers would have refused to supply after 30 days, my other customers would not have been able to order anything, and I wouldn't be in business.

In business we have found income and expenditure rarely happen at the same time. Managing money is crucial; even if you have never done it before, now is the time to be an expert. If a customer owes you money and has gone over your agreed payment terms, phone them to ask if everything is okay, did they find the service received to their satisfaction, did they get the invoice, and when can you expect payment? This is a fantastic opportunity to sell them more services (once you have been paid for the last ones).

Income:

- Define your credit policy, clearly stating payment terms.
- Issue invoices promptly.
- Negotiate payment stages or deposits.
- Manage your aged debtors with increasing force.
- Ensure it is stated in your terms and conditions of sale that you own the goods until paid in full.

State in your support contract if payments are overdue then no support will be given until payment is received in full.

Practices we have adopted now that we have capital behind us:

1. We don't chase debts until 30 days old, though we will not allow debts to exceed 90 days (most customers pay within 30 days).
2. We issue invoices as soon as the signed job sheets have been presented in the office, usually this is daily.
3. Any orders for new customers are not immediately given credit terms.
4. Any orders over \$5,000 require a 50 percent deposit unless agreed to by a Director.
5. Our support contracts are annual but invoiced monthly.
6. Stock is kept to a minimum; we don't have a retail shop and can order most items in for next day.
7. We don't use factoring. Although this is a way of getting your invoices paid fast it takes away a lot of your profit margin.

Expenditure:

- Use your suppliers' credit as much as possible and pay on their terms on time.
- Extend your credit with suppliers as fast as you can—still pay on time.
- Don't stock unless you have to.
- We will only order on behalf of the client on receipt of a purchase order.
- Client returns (if accepted) result in them being charged a restocking fee.

One way to get money coming in on a regular basis is providing services with a fixed charge.

When we initially set up the business we decided we didn't just want to be "a box shifter" (slang for someone who just resells hardware to make a profit), we wanted to be the best service-related computer company in our area. To do this we had to organise which services we would specialise in, how much we would charge, and whom we would target.

Initially we offered support contracts paid annually in advance, this gave us capital that we could use to help fund client purchases and the confidence of securing the client's business for at least a year. Pricing was based on our hourly rate and the estimated time we thought would be needed to support a network on a per item basis.

Software and services we now provide with a guaranteed income:

- Annual support contracts (paid monthly in advance)
- Offsite backup solutions
- Antivirus and antispam managed services
- Antivirus renewals
- Managed security solutions
- Training

Taxes are a necessary evil; always ensure you account for all your country's tax obligations. Tax avoidance is not only illegal, it doesn't do you any favours as your profits will appear less. The higher your profits the more money you can get your bank and suppliers to invest in you.

Investing in your company is not always about making money, we give free training to businesses and charitable organisations and the return from that goodwill is more sales and an incredible response from word of mouth.

Your advisors may tell you to lease your fixed assets rather than buy outright; we prefer to buy outright whether right or wrong. However we do offer Microsoft Financing to our clients.

The practices NCI has adopted are well suited to us, they will not suit everyone, and we ask you seek professional financial advice before writing your credit policy.

Arlin Sorensen

One of the joys I have is working with a number of partners through our Heartland Tech Groups, which we facilitate. There are more than 72 partners involved, so it gives me a very unique look into their businesses. Finance is one of the key struggles that many partners face today. First and foremost, most partner companies were not capitalized properly when they were started. For most, a few hundred or thousand dollars were scraped together, and people started doing business. As they grow, financing becomes a bigger concern and issue, which especially comes into play when there is payroll to be met. That simple addition to a business changes the dynamics around finances forever. The simple rule to remember here is that CASH IS KING—you cannot operate a successful business without it. I see many partners fail in our industry not because of their lack of technical skills, but because of cash flow problems. You can quite easily grow yourself out of existence. I honestly think that just as many businesses fail because of succeeding beyond their ability to manage their cash flow as from just serving clients poorly.

When HTS was started 22 years ago, I made that very mistake. It was a long and painful process to grow through the hole that was created because I had not capitalized my business properly, because debt will eat your profits quickly. But the more alarming thing I see many partners do today is finance their company on credit cards. While you can get a new credit card almost weekly in the mail, the interest rates on those are very high and you should not grow your business on credit card debt. It will really be a miracle if you can survive when financing that way. There are certainly times when credit and borrowing money is a critical part of growth, but the key is to have a deep relationship with your banker and then a very detailed plan for how the money will be repaid. You should never borrow money without a clear plan on how it will be repaid as debt can spiral you into oblivion. It is a wonderful tool when used wisely but disastrous when mismanaged.

So how do you build a relationship with a financial institution? The same way you do anywhere else. It is more difficult because many banks have moved from the more personal touch of the years gone by, so you have to work harder to make that relationship work. You start by establishing accounts and being consistent in how you work with the institution: be predictable and consistent, don't miss payments or do things sporadically, if you need to make some purchases like a car or house loan, try to work with your financial institution. Banks loan on historical performance, so prove you are a worthy borrower. When it comes time to borrow money to grow your business, you will get a much more positive reception

if you have built a good credit history and have a personal relationship. Take your loan officer to lunch, spend some time getting to know him or her. Because you are basically selling them on you as a person and business owner, you have to work at it. Our growth would never have happened without our bank being willing to go beyond what probably made sense in order to allow us to grow. It was all about relationship and historical performance, not necessarily what made sense on paper alone. Many times lenders make loans based on gut feeling and how much they believe in the people they are lending to. Having a deep relationship with a track record is key to that process, so work on it.

Create discipline in your money management early on. You can spend yourself out of existence if you are not watching closely. Part of that discipline means getting a good accounting system in place and using it. Too many partners intermingle their personal and business funds. That is a bad plan. Keep your business separate and treat it as a business. If you put the money into a comingled account, it is very hard to monitor. You need to run your business like a business. Invest in a solid accounting system that can scale as you grow. We have made numerous accounting system changes during the 22 years we have been in business, and there is nothing fun about that process. Look ahead a few years and make sure you purchase a system that will allow you to grow. I strongly encourage you to find a solid CPA or accountant you can work with to get accounting and financial advice. They often have an accounting package they recommend, and that may be your best choice. There is much to be gained by being able to send them your data files so they can audit and make changes and return them to you corrected. Our CPA is one of the vital parts of making HTS successful, along with our banker and lawyer. Professionals may seem expensive, but from experience I know it is better to invest some early so you don't invest a lot fixing the mistakes later. You want people to use your products and services because you are the expert in the field. That probably means you are not an expert in finance, accounting, or law, so don't be a cheapskate—hire a professional to help you with those very key areas.

Managing money is about more than recording how it goes out; you also need to become systematic in how you collect it. While our experience is that most clients pay their bills, we have found that few ever send in payments before they receive an invoice or statement. I find that many partners are very slow to bill their clients because they don't have time. If you don't have time to bill, you are going to struggle because, again, CASH IS KING! You have to make billing a critical part of running your business. Do it daily or at least weekly and get them in the mail because clients don't pay until asked. You shouldn't spend it until you get it. See the correlation there? You have to be disciplined to bill.

Another key part of that, though, is monitoring payment and being aggressive when they miss their window of payment. Develop good credit terms and conditions and then enforce them. Once they are beyond the expected payment date, you have to contact them. I realize collections calls are no fun, but the longer the payment is delayed the less likely you are to receive it. More often than not, clients are slow to pay because they do not feel the job is complete, and they are waiting for something to be done to completely satisfy their expectations. If you are not consistently making those calls, you will not uncover the situation or be able to rectify it. You need to set up one day a week to call any delinquent accounts and collect from them, and you need to work hard at building that habit. It can be a fantastic tool to finance growth—just collecting the money you are owed. It is amazing how much that can reduce debt and limit the need to borrow.

Here are a few tidbits we have learned about finance over the years:

1. Pay slow and collect fast. Don't go beyond the payment date required by your vendor because historical performance with them is critical, but don't pay too early, either. There is a definite time value of money. Use it for your best interest (no pun intended).
2. Use distribution to lengthen payment requirements. Most distribution partners in our industry will do 30-day terms. If you purchase solely on price you may be buying on the Internet from someone who wants cash or credit immediately. Build a strong relationship with your distributor and also work hard to build a strong credit relationship. Without our deep relationship with Ingram Micro, our growth would have been much more difficult. They have been willing to establish a generous credit line and very good terms as well. It takes time, but it is vital to success.
3. Leverage leasing opportunities for internal needs. Sometimes partners need to make investments for internal hardware and software and tie up all their cash purchasing their own infrastructure. I don't think you should necessarily work with poor equipment—you do need the tools to succeed—but neither do you need the latest and greatest all the time. By leasing, you can keep your own cash available to operate your business. There are many very aggressive leasing companies that will work with you to create a very attractive package.
4. Leverage leasing opportunities for client sales as well. Some of the leasing companies today will fund services up to three years in advance. While that is very attractive from a cash flow perspective, it is also extremely dangerous if not managed properly in accounting and cash management. It can be a significant boost to cash flow needs for growth and, done properly, is a strategy that can lead to good results.
5. Consider being open book with your team. We have allowed our staff to see our financials for a number of years. An increasing number of companies are taking that approach to growth. Employees need to understand the impact of their work on the company bottom line. They need to see the status and feel like owners. That decision has been very good for us at HTS.

6. Reward your team for their hard work. Early in your growth, set up a retirement program and a system for employee profit sharing. I believe it is my responsibility as the owner to help my employees prepare for their future whether they understand it or not. It is a great way to take care of your team as you grow, and it will have lifelong impact.
7. Manage your inventory closely. You don't need stock on very many things. The things you do have must be counted and reconciled monthly. Keep an eye on this because it can eat your profits quickly.
8. Manage your tax liability but remember that successful companies pay taxes. One major mistake I made was running my business for many years with a goal of showing little income at the end of the year. That is actually based on my "farmer" mentality because that is the strategy many farmers operate under. While it may be good on the farm, it is lousy for a business. You have to be profitable if you are going to grow. You have to show consistent profitability before you can expect any bank to loan money. Debt is repaid by profit. So manage your tax liability wisely (another plug for a financial expert) but realize you need to pay taxes—that is what happens when you make money. I can't make myself say that paying tax is a good thing, but it is a very necessary part of growth and success.
9. Be wise in spending on buildings and infrastructure. Don't jump off the cliff and lock in long-term leases or other liabilities that may not be wise over time. I have seen many partners limit growth because the office they have a long-term lease on is too small, in the wrong place, or has some other issue. Think long and hard about the timeline before you make commitments. The wrong decision can hold you back.
10. Be generous. I am a huge believer that as we give, we receive so much more. Don't be stingy about supporting local charities and participating in activities and events that build your community. This can be with money or probably more importantly time.

Dean Calvert

Being in business is not just about making money, but the money factor certainly is a major contributor to business success, whatever your overall goals. You need to view money as a tool of the business, just as you would a server or hard disks or "toolkit"—it needs to be treated seriously and with care. Money in itself is nothing; it's how you use it that will make a big difference.

Calvert Technologies grew for the first 10 years with its own capital base, which means we didn't borrow money to fund growth (apart from having a credit card and a very small overdraft with the bank). This can be a slow way to build up a business but certainly has its benefits provided you manage your cash flow correctly. Personally I don't like owing money and I guess this is one of the reasons why I held off entering any financing arrangements until just recently when, due to office relocation and additional infrastructure costs, we used a rental facility to help finance the purchase of new infrastructure equipment.

If you're going to use finance for your business, make sure it's for income-producing assets or capital equipment rather than simply to pay bills. If you can't afford to keep up with paying your bills then you've got a different sort of problem, and a finance deal isn't going to be your best course of action. (It's a bit like borrowing money to take a holiday—never a good idea.)

If you are a sole operator just starting out you need to make sure you have a separate bank account for the business. It's a common mistake to keep business and personal money in the same account because "I am the business and the business is me. The money the business makes is all mine anyway." This is quite simply the wrong approach. Not only is it a bookkeeping nightmare when it comes time to reconcile accounts but you also end up not separating yourself from your business, which can greatly hamper business growth. You really need to view the business as a completely separate entity from you.

One of the biggest killers of business is cash flow. Arlin has already highlighted that "Cash is king" and it's so true. You can very easily have a lot of activity going on, billing plenty to clients and enjoying prosperity on paper with regard to how much you're charging out but unless you can get that money into your bank account, and pay your suppliers (and yourself, too) you're dead! It's as simple as that.

Set expectations with your clients with regard to when they are to pay for products and services. You may wish to extend credit for services because the base cost for these is minimal.

However, products should be treated quite differently, especially where you're starting out. We insisted on cash on delivery (COD) for product sales for many years in order to maintain control of cash flow. COD is still the case for many clients, though we now supply some larger companies who simply can't pay COD and for them we've extended credit. It doesn't take long to get into trouble if you're buying in a product for clients, and paying for it either at the time of collection/shipping or after a period of extended credit and not getting the money in from your clients to cover the outgoings.

Be clear with clients about your payment terms from the outset. It's much easier to lay down the rules at the beginning rather than change them part way through the relationship. If you let them get away with being slack payers in the beginning then that's a habit they'll maintain. They can't walk out of a department store with a new sofa with the intention of paying for it in 30 to 60 days, or whenever they feel like it, so why should they have that new server from you without paying for it until they feel like it? You're in the IT business; you don't want to be a bank.

We have a process for keeping in touch with clients, sending them statements every week just so they know we're keeping an eye on finances but without being demanding. If they have outstanding amounts on the statement we include a gentle reminder of these and ask for an indication of when payment will be made. When they do make a payment we send them a thank you e-mail and if the payment is made before the due date the note says "Thank you for your prompt payment" to acknowledge the early payment. Giving the client positive feedback like this has made a huge impact on our debtors. Clients who get lazy with their payments will get a phone call to ask about payment, just as a gentle prod. This often produces either a payment or a commitment to pay by a certain date.

Be mindful of clients that continually break promises to pay or pay late all the time. These are not good clients and you need either to be very tough with them or get rid of them. I can't state this more simply. Clients like this can drag you and your business down. We have had to get tough with a few clients over the years. We've lost a few without any negative effect on us and a few that got "scared off" have come back and now pay according to our terms rather than their own. Don't be afraid to get tough—it's your money, you're entitled to be paid for the products and services you provide and you shouldn't have to "fight" them for it.

|| Customer relations

Dean Calvert

We view ourselves as an extension of our clients' businesses; we are their IT department. In taking this view and sharing it with them, we understand that the products and services we provide must benefit their business first and then, with their success, we also have success.

In fact many of our clients are more than just businesses we work with—over the years we have developed great relationships with the owners and key contact people within the client's business. We don't just talk business or technology with them but display a genuine interest in them as people. This not only makes it easier to work with them but also means we build relationships that last for years. These long-term clients can become clients who don't question invoices or try to beat us on price every time we quote something because they know we're working for them and not just viewing them as an income source.

Little things can make a major difference, too. Taking note of birthdays or wedding anniversaries and sending an e-mail, or personally delivering a birthday cake, can demonstrate that you care about the people side of things.

One of our key clients is an architectural firm. I found out from them a couple of years ago about an article that was appearing in one of their industry magazines showcasing a property they had designed. It was quite an amazing house. I bought a couple of copies of the magazine and had the article mounted in a large frame that they now proudly display on one of the walls of their office. This was a very low-cost gift I gave them and they were simply delighted to receive it. I took an interest in their business, celebrated their success, and further strengthened our relationship.

Andy Trish

In the IT world the customer is very rarely right—often they use your services because they have no idea how to do the IT stuff themselves—but they are the lifeblood of your business and should be treated as such. NCI has a whole range of different characters working here so we find it easier to deal with a wide and varied customer base. If you find you have an awkward customer it is always better to get another member of staff to try and deal with them before any personality conflicts may get in the way.

Always take care to ensure everything they expect from you is done, from getting your quotes out to completing the jobs satisfactorily and invoicing on time (yes, we actually had a client complain that they had not been invoiced yet). A happy customer is worth their weight in gold, not only will they keep buying your services but they know many other businesses you don't and they will recommend you. Most of our business comes from word of mouth, so do it right the first time.

Treat your customers the same way you treat your friends. That way, if ever they have a problem, they will come to you first and tell you rather than just looking for another supplier. We make regular visits to most of our customers because it not only give us regular contact but it allows us to monitor the customers' perception of us and increase sales.

Manage your customer base with great customer relationship management software. We spent a long time and a lot of money looking for the right CRM software, and we also wanted good service management software that would allow us to log our calls and manage our engineers. Many demonstrations and trials from various vendors all failed, and then along came Microsoft Dynamics™ CRM 3.0.

Microsoft Dynamics CRM 3.0 is not only the best customer software we have seen but, with the customisation features available, we have been able to create a service management solution that meets all our needs. We are now able to log all our support calls and get the reporting features that we always wanted.

Because each customer has differing needs and wants for their business, the consultation has to be carried out by specialists in the subject and we recommend the installation and configuration of Microsoft Dynamics CRM be done by people who know the product inside out. If you don't have the expertise or time in-house to implement the solution, I strongly suggest you speak with some Microsoft Business Solution partners who do. They will often give you commission on referrals.

We saw the value of Microsoft Dynamics CRM not only in our business but in our customers, too. For that reason we spent the time needed to learn it inside out and get qualified to install and configure it. NCI is currently the only Microsoft Business Solutions provider in Cornwall.

|| Selling Windows Small Business Server

Andy Trish

Imagine a product that you can make a profit on over and over again. Imagine that it's easy to set up and has support not only from the manufacturer but also from fellow experts all over the world. Your clients not only want it but need it, AND it's attractively priced. Well, it's arrived. I present Microsoft Windows Small Business Server 2003 R2.

It really doesn't matter if you are on your own or part of a larger company Windows Small Business Server (SBS) 2003 R2 is a solution you can offer your clients knowing that, if you need help, support is not very far away. Become an SBSC and you'll get access to managed newsgroups with a four-hour response, use of a logo to advertise your status, and the ability to view ever-changing blogs written by industry experts.

When you talk to a prospect for the first time you should be able to get a feel for their needs, whether it is on the phone or face to face. Always ask them questions about any difficulties they have now and their wants in an ideal world. Discuss their company size to ensure they are within the limitations described below, then introduce SBS 2003 R2 into the conversation immediately, describing the advantages to their business if they implemented it.

I have a genuine desire to see my customers succeed in their businesses and would never sell them a product if I didn't think it would benefit them. SBS 2003 R2 can meet the needs of all the small businesses I know and, used as it is designed to be used, is a fantastic tool that can easily be configured and customised to make it your own.

There is not one part of SBS 2003 R2 that our customers don't use. We give them an afternoon's free training, showing all the available features and walking through basic administration tasks so they are aware the server is not as scary as they may imagine. Why the free training? After all, time is money. I value my time spent training our customers, and although given away for free while I am training, I am also selling. The additional services, including advanced training, Microsoft SharePoint® configuration, mobility solutions, and CRM that I sell on each of these courses more than pays for training, and it also gives me the opportunity to find out more about the companies and their desires. As I have said, this software is the best option for small businesses so we don't offer any other choices to our clients unless we can find a need or they are close to the 75-computer limitation.

As for hardware, a number of times we have taken over a contract from another IT solutions provider and found that the hardware they have sold the client is nothing better than a cheap PC labelled as a server. The minimum specifications for SBS mean it will work on low-end servers but it won't be anywhere as good an experience for the customer. We always sell a decent specification server to our clients. We don't ask budgets; we tell them what they need to buy and they trust our advice.

We also never oversell. Our experience with small businesses in all verticals gives us a good view of how they work, how much data storage they need and how it should be configured. I would rather sell a customer a server that just meets his needs for four to five years than one that constantly needs upgrading. Most of the complaints we get about other IT providers are that they never asked what the budget was but assumed the cheaper the better, just to get the job, leaving the client with the need to replace his server sooner than he should have.

With hardware being in a constant price war I would always recommend at least 2 GB of RAM for SBS to cope with the many features in action on one box (remember 4 GB maximum on SBS), and if possible offer redundancy by mirroring the operating system drives, leaving the data storage on a RAID 5 array. Redundant power supplies and processors (there's a two-processor max, but they can be dual or quad core) can be added as budget allows.

Providing a system that is not only fast but reliable is all your client wants out of his hardware, but don't go cheap unless you have no other option. Don't think you will win on price by offering a cheap server. One of our customers had two quotes, one from us and one from a competitor. The other party won hands down on price, but I can guarantee you the server he quoted wouldn't have lived more than a year. We won the deal due to giving the customer advice that was cost-effective for him, and he is now the proud owner of a server that can meet his needs for at least four years.

Cross-selling

- Sell gently; suggest rather than try the hard sell.
- Listen to your customer.
- Assess your customer's needs.
- Only sell what they will benefit from.
- Don't sell cheap, poor-quality stuff to get the deal.

When selling Windows Small Business Server 2003, remember the following restrictions:

- Maximum 75 users or computers
- Windows Small Business Server must be at the root of the domain forest. Your small business domain cannot be created as a child domain of an existing domain. The Windows Small Business Server domain is a single tree in a single forest.
- There can only be one Windows Small Business Server in the Windows Small Business Server domain. If you are migrating from a previous version of SBS, you are allowed two Windows Small Business Servers during the server migration process. Within seven days, you must verify that the new server is running properly, and then remove the original server. However you can have additional domain controllers running Microsoft Windows Server.
- Trusts are disabled. You cannot establish any type of trust between the Windows Small Business Server domain and any other domain.
- Windows Small Business Server 2003 does not include Terminal Server. However, you can remotely administer computers using Remote Desktop for Administration (in Microsoft Windows 2000 Server this was called Terminal Services in Remote Administration mode), which allows you to connect to the console or to create up to two new sessions from another computer. If you want to use Terminal Server to host applications centrally you must install a second server.
- Windows Small Business Server includes Microsoft Exchange Server as its Internet e-mail solution. Additionally, if you want to retrieve POP3 e-mail from an ISP you can use the Microsoft Connector for POP3 Mailboxes.

|| Installing Windows Small Business Server

Andy Trish

If you haven't done it before, read up on installing SBS (perhaps do it a few times) before finally giving the box to the client. Don't get me wrong, it's not a hard thing to do, but it makes sense to practice before going live.

When you install, all the stages are completed automatically in the correct order, only stopping to ask you questions specific to the client's network or for you to change the disc. The installation is done in two important stages, first installing Windows Server 2003 for Small Business Server and then the Small Business Server integrated setup. Both stages must be completed for the setup to be successful: if you only complete the first stage, the customer will not have an Active Directory domain, Exchange, SharePoint, DHCP, etc., and the server will reboot itself every couple of hours in an attempt to force the completion of the second stage. The server is not legally licensed to operate without completing the second stage.

After installing the operating system, you will get to the SBS Setup Wizard welcome screen. It is a good idea to stop here for a minute to install any available patches from the Microsoft Update site and to get your hardware updated with the latest firmware.

Plan your disk partitioning next. We always allow plenty of space for the operating system (12 GB), have a separate partition for the page file on another physical disk (5 GB), then use the remaining space for data, including the Exchange databases. Make sure when you format the drives that allocation unit size is 16k or more, otherwise you will have problems with your Shadow Copies if you defrag. If you look at some servers other companies have set up there may be many partitions for various types of data—this really isn't needed. Configure your paging file and then it's time to install the Windows Small Business Server components. With two network interface cards (NICs), disable one of them and attach the other to a hub or switch. Make sure nothing else is plugged in until setup is complete.

If you have a decent size operating system drive, you can leave all of the program installation files on C: drive, but to save work later spent reconfiguring your disk space it is better if you create folders on the Data partition and change the data paths to point to them. For example:

Microsoft Data Engine (MSDE)	E:\SQL
Users Shared Folders	E:\Users
Client Application Folders	E:\ClientApps
Sent Faxes	E:\Faxes
Exchange Store	E:\Exchange
Exchange Transaction Logs	E:\Exchange

This way your Exchange database can grow without the worries of exceeding the smaller partitions' disk space and you can install more client apps than before.

Once SBS is installed you will need to re-enable the second NIC and configure the IP address before running the E-Mail and Internet Connection Wizard. Once connected, run Windows Update to ensure the server is fully up to date.

If you are installing the Premium version, then complete this next. Lastly, when it is all set up, USE THE WIZARDS, which is why they are there.

Remember to forward ports for remote access

1. HTTP – TCP Port 80
2. HTTPS – TCP Port 443
3. HTTPS for Company Web – TCP Port 444
4. Remote Desktop through Remote Web Workplace – TCP Port 4125
5. Remote Desktop directly to the Windows Small Business Server – TCP Port 3389
6. VPN using PPTP – TCP Port 1723 and Protocol ID 47

|| Assessments

Arlin Sorensen

One of the key factors for growing your sales is to implement a sales and marketing system that revolves around the assessment process. Microsoft has just released the third revision of the Microsoft Business and Technology Assessment toolkit, which we initially worked to build with Elyn Yao a couple years ago. Aanal Bhatt has picked up the responsibility and driven the migration to a Microsoft Office InfoPath platform with the ability to customize the tool, which are two great enhancements. That said, it is not the tool that is the important focus—it is the approach to client interaction and how you use that tool.

Assessments are a key way to get clients to open up and let you see their current pains and future plans. There is no way to do an adequate job as a trusted advisor if you don't know the answers to those two questions. You have to know, and the only way to find out is to assess the client environment. The tool is designed to probe in a few areas; we have business templates that are designed to get a 50,000 foot overview of the business. There is a technology assessment that drills down into the resources they have and identifies the gaps that need to be addressed. The SWOT assessment goes deep into the business reality and there are also a number of product-specific assessments that address the new technologies like Windows Vista®, the 2007 Microsoft Office system, and others. So, it is a robust tool but also now has a feature that allows you to build your own assessment or modify the current predefined assessments to really fit your company's needs.

So what is the process to make assessment work for you? It is critical to look at assessments as the foundation for building a long-lasting client relationship. It puts the needs and desires of the client at the center of the relationship and allows the team to guide the solution design and implementation through the process, but gives the partner a clear look into the end goal so the right things can happen along the way. Too often partners have driven their clients to solutions they wanted to implement without regard to the client's end game, which does not make for a sustainable relationship. For things to last long term, you need to become a business partner, one who has earned a seat at their "boardroom table" and move way past being just a trusted advisor. The assessment process helps make that a reality. This relationship is not about you as the partner—it is entirely about your client. That is the focus you have to keep in mind; and as long as you do, your relationship can blossom and become something that will continue to grow for years. Those are the types of relationships that can generate long-term revenue for you.

So why is small business such big business? Small business growth is strong; many small businesses still need their first server. Small businesses typically do not have a certified IT professional on staff to help design, procure, install, or support their business technology needs, and you can fill that role. The opportunity for IT solution providers continues to grow; over a million new SMB servers are forecast by 2009. With additional opportunities for consulting, support, and maintenance, the Assessment Toolkit can help you maximize your part of this opportunity and elevate you above the competition focused on selling products. Still sceptical about the opportunity in SMB? Remember that asking the right person the right questions at the right time can produce new opportunities. How can your business benefit from this approach?

There are two main types of services to provide any SMB client: Technology Services and Business Services. Today you may find yourself "boxed in" to one or two of the Technology Services boxes. Using the Assessment Toolkit will help you expand into the Business Services offerings and make you more valuable to your clients. Today, more than ever, there are solutions that may benefit your clients if you can pinpoint what they need. Through an assessment you are able to learn more about the client's business and prepare a solution that is based on business needs, not simply product sales. Plus you will create a series of solutions based on priorities established in connection with your client.

Assessments are best performed using a process, as clients want to work with partners who are organized and who can lead them to the next step. I recommend that you start with a business assessment to gain a foundation of what the client does and why. The next step is to use a technology assessment that will give you insight into how the client uses their current technology. From there consider a focused assessment based on what you learned about their business and their technology and, finally, consider performing a SWOT analysis to gain a much deeper understanding of the internal and external pressures on your client's business. I recommend that you perform the SWOT assessment on your business first and use the results to help your business. Each assessment is an opportunity to follow a process. I recommend that you create an executive-level deliverable that points out key areas of concern. You want the client to participate in determining what the focus should be and if budget exists to address the priorities, and then create a solution proposal that makes it simple to propose "portions" that the client can easily understand. Finally, help the client by building a three-year plan that can be updated. This plan serves as an opportunity to return and demonstrates your expertise as a consultant.

So how do you want to structure your offer? Start by determining what type of assessment you want to perform and what you want to deliver. Although business assessments should not be given away, you may want to offer a rebate or package the assessment with other services. Technical assessments should always have value and some cost associated with them; you may offer various levels of assessments for various prices. Determining what you will charge depends on how you position your assessment: is it quick or detailed? Who are you interviewing? How much do you know about the client's business and industry? What is contained in the deliverable?

At HTS we have found a variety of strategies for marketing assessments. Whether you call, mail, hold events, or propose directly to the client, remember some key points. First define your offer clearly because you are now selling more of an intangible service. When someone is interested, make sure you follow up quickly or their interest may decline. Use experience from one engagement or industry across engagements, and remember that you can perform assessments on any business or education client and that communication is key.

Make sure you prepare your prospect and yourself before the engagement. You should set proper expectations and gather some key preassessment information before you begin. Make sure you have access to the owner or key decision makers to get their input so your deliverable has value. You are responsible for doing your homework on the business and knowing how you plan to use the toolkit, so plan your deliverable then work backward to know the questions you need to ask. It is important that you practice several times before your first engagement. Use your own business; then pick a friendly client for a test run. Make sure you can read people while you're performing the assessment. You may need to speed up or slow down depending on their reactions. Understand what you're asking and add questions as needed. Make sure that you set aside enough time for the questions and for preparing the deliverables.

One thing we've learned from performing the assessments is that the more we know about our clients' businesses, the more our clients value our deliverable and our solutions. We take time to focus on their pain points and work to introduce short-term solutions leading to long-term planning. When you perform the business assessments, remember that topics like vision, strategy, compliance, and budget are all important. Take the time to understand how to communicate effectively about these topics, and you'll have the information to customize a solution to their situation and needs.

Another area we can all relate to is how to include the ideas of an existing IT professional. At the end of the day the IT professional will likely still be on staff and may be charged with executing parts of your plan. Your deliverable will be improved and your solution will have a higher chance of success if you view the in-house IT professional as a partner rather than an adversary. You can talk the language of the IT professional so, by working together as a team, you can deliver recommendations and solutions that are already supported by an important member of your client's team.

Capture the demographic information for your client. You should consider entering some of this information in advance to avoid spending time capturing information you already possess. You'll find questions covering the current IT landscape along with SWOT analysis and many other topics. Remember that any question can be removed, other questions are provided that can be added, and you can add your own questions.

Keep in mind the importance of asking the client about their IT budget and major projects on the horizon. Understanding how the client spends their money gives you insight into how you should prepare your deliverables and what should be included. If the client doesn't want to talk about their budget or specific financial matters, give them some choices or ranges based on similar businesses. Without budget there is no sense in pursuing things any further, so this is a key way to find out how serious a client may be.

Once you complete the onsite assessment, it's time to start work on the deliverable. The first place to start is to review your notes soon after the assessment to make sure you didn't miss anything. Clients will not mind a follow-up call to clarify points or ask additional questions as long as you did a good job of asking questions and documenting answers the first time.

Next, take time to compare what the client already has and is using with their goals and needs. Is there a gap or disconnect? Do they have a little and want a lot? As you move toward recommending a solution that meets their needs, make sure you verify that what they already have is compatible with your recommendation, and don't hesitate to give your client guidance in areas where they are not up to standards.

Finally, remember to write your executive overview report very plainly, using terminology your audience can understand. The executive overview is a logical add-on to the Business Assessment and can also be used with the Technical Assessments covered in future training sessions.

If you complete a Technical Assessment, look for solutions that you can recommend in a proposal. Group these solutions logically and include details about how these solutions will achieve the goals identified in the assessment.

HTS recommends that you package your Technical Assessment engagements to also include a proposal and a three-year IT plan. The three-year plan should be based on the priorities determined by the client when they helped complete the assessment. In other words, the client's priorities must be considered heavily when preparing the proposal and three-year plan, which can differentiate you from other solution providers and give you a reason to return to review the plan in the future. Building relationships is a key outcome of this process.

Once you finish an assessment, executive summary, proposal, and three-year plan, you are ready to close some business, but, really, you are just scratching the surface of the value of the assessment process. These documents now become the roadmap for all interaction with the client because they keep everyone on the same page and focused on the same goals. Review it at least twice a year or more to update it and keep it in the forefront of your communications, to keep both you and the client moving forward. Have discussions about whether priorities and timelines are on track or what new things need to be added. Using the plan as a roadmap ensures that there is agreement and a sense of common direction, and it is a key to making the process as valuable as it can be.

Customer testimonials are great tools to communicate the value of assessments and to help generate new business. At HTS, we like them because when the client acknowledges that problems existed and then confirms that they were made part of the process to solve the problems, the client now feels that they have a vision for how they want to use technology in their business.

The secret is to build assessments into your sales and marketing process, it can be an important part of your ongoing success and client-support strategy if you really build your day-to-day strategy around doing it effectively. It doesn't do any good if you don't download the tool and install it. You have to use it to get value, so I encourage you to do that today. It's available: <https://partner.microsoft.com/assesssmbneeds>

You will find the Business and Technology Assessment Toolkit available at this link to the Partner site. Note the comments about winning a free copy of SBS 2003 R2 and the need to install Office InfoPath 2007 for the Toolkit to work properly. It is a great way to build value for your company and for your client's business, so use it!

Andy Trish

It amazes me, when I ask partners if they are using the Assessment Toolkit, how many have not even looked at it. I was guilty of that for some time; my opinion was that I can sell Windows Small Business Server to a client in 30 minutes, so why should I spend all the time needed to find out about their business in depth? If I know the software I am selling to them is good for them why do I really need to know their company inside out?

My opinion has changed and I ask you to at least review what you can use it for. The Assessment Toolkit is good for me in a number of ways; first of all it is configurable so you can ask questions relevant to your country or region, or even down to the vertical you support. A basic assessment should be completed for every new prospect and for your existing customers with the data being used to help both your sales and marketing teams.

Unless a client pays you to do an assessment I suggest you keep things simple, and if it is a new client don't try to look good by asking them advanced questions because they may think you are being intrusive rather than professional. As your relationship grows you will gain a greater knowledge of your customer and their confidence in you will grow to a point they will want you to give them advice on more than IT.

Gaining information from the different types of people running their own small business can sometimes be like extracting your own teeth. Even with some of the prospects we see for the first time, their reaction to our questions is "You are the IT experts, you tell me." Even when the question wasn't even technical, like "Do you have a budget for IT?"

Just by asking simple questions of each customer, you may find there is a solution they all have in common that you are not yet offering and the time spent interacting with the client may bring up things they would never have thought of asking you about. If you want to expand the service offering to the client, then add in questions related to the service itself, such as VoIP or Live Communications Server, or any service offering you wish to include. Assessing a company is not just about finding out what they have but how you can help them move forward.

Once you have all the data, you can analyse not only their needs but how you can expand your company or partner with someone else to be able to fulfil their requirements. It is also great for going back to the customer when the time is due. Even if they didn't need any assistance when you did your assessment, they will remember you if you carried it out professionally.

|| Training

Andy Trish

One imperative part of your business that you must concentrate on is training, both internally and for your customers. If you concentrate your business on Microsoft solutions you will know that the changes made on every new release are significant, so the question is "Why learn a product in depth if it is only going to change in a couple of years?" The simple answer to that is if you know the products as much as the experts not only will you get the job done faster, but you will have done it right first time. If you understand the principles, learning the new products as they come out will be much easier.

As a small business yourself you will have many jobs. Whether you are a single person or a growing business, you will find the job roles that you have to learn are vast. The list below is just a small amount of the roles a single-person business has to take on.

- Owner
- Managing Director
- CEO
- CTO
- Marketing
- Sales
- Technical
- Trainer
- Trainee
- Health and Safety
- Accounts
- Customer Relations
- Administrator
- Recruiter
- Webmaster
- Bookkeeping
- Consultancy

Like I said, this is just a small amount of the many job roles you will face, possibly on your own. Unless you are a business wizard who understands every aspect of business life, you will need help, whether you do that by employing someone on a full-time or part-time basis or by contracting a specialist to do

parts of it for you.

Training in our type of work shouldn't just be looked upon as keeping up with technology; you have also got to look at the business aspects, too, such as health and safety, tax legislation, sales and marketing, training, and on it goes.

Incorporated into our business strategy is the ongoing training and qualifications we not only want but sometimes need our staff to gain so we can move forward. We have agreed to pay for a maximum of one exam per month for our staff (and will only pay for the one exam per exam number, i.e., if they fail they pay for the next one). This works really well both for our staff and ourselves because we all benefit.

Some companies believe that if you train your staff they will expect more money or leave for a competitor. This is sometimes true, though none of our staff have left to get a better job with a competitor simply because we pay them well, we treat them with the respect they deserve, and we are determined that, as our company grows, our staff benefit respectively. As for the higher pay, we already pay our staff more than the going rate in our area and we continue to pay them more as our profit grows. We strongly believe in our staff and know as we continue to expand they will be promoted to positions relevant to their skillset.

I am also of the opinion I wouldn't want my staff to do anything I wouldn't want to do myself. The directors of NCI, John Andrew, Chris Penrose, and I, regularly attend health and safety courses, sit exams relevant to our skill base and attend seminars that we believe our company will benefit from. My personal Microsoft qualifications are extensive. In the last 7 years I have gained the following premier Microsoft credentials:

Microsoft Certified Technology Specialist
Microsoft Certified Systems Engineer: Messaging
Microsoft Certified Systems Administrator: Messaging
Microsoft Certified Desktop Support Technician
Microsoft Certified Systems Administrator: Security
Microsoft Certified Systems Engineer: Security
Microsoft Certified Database Administrator
Microsoft Certified Systems Engineer + Internet
Microsoft Certified Professional + Internet
Microsoft Certified Trainer
Microsoft Certified Business Management Solutions Specialist

With more than 30 Microsoft exams myself, and the desire to renew them as they come due, I have a busy time ahead with my own personal training and suggest you plan yours carefully.

As a Microsoft partner, you will have access to a host of online training, dependent on your level. Keeping up with technology will only lead to a better future.

Our customer's knowledge of IT is also extremely important to us; every partner has a client who thinks he is very good at working with computers when in fact he is more trouble than he is worth. Once he has played with his new server for a bit you will get a telephone call saying it's not working properly only to find he has reconfigured it without telling you and he doesn't know how to get it back. Or the other type who phones to ask how to restart it and when you say click on the start button they say, "where is that?"

We regularly run training courses for our customers on the administration of SBS and we don't charge them for the afternoon's course. This helps prevent the silly phone calls for support taking away the valuable time needed to concentrate on more important support calls. It is also a great opportunity to interact with the client and sell them new services. I realise that some of you may charge for simple administrative tasks such as adding a user. On occasion, we do too if it's asked for, but we didn't plan on running our company adding users—we are a highly skilled team of men and women and prefer to do the heavy stuff, leaving the simple administration to our customers. And don't forget that as they use the server, they will continually be thinking of the other things the company can use on it. Things you can help with.

Arlin Sorensen

This is one of the most difficult areas we deal with in the technology industry. It never ends. Our technologies constantly change, requiring us to continually invest in learning the new and latest information. As a business owner it is a fine line to walk. We need to have our team up to speed on what is happening so we can service our clients well. At the same time, I am sure we could have someone at training every day of the week all year and still not keep up with it all. So for us at HTS, it has become a decision to limit the vendors we work with and the solutions we get trained on.

Our approach is to require our technical team and sales team to make progress each quarter on their training roadmap and plan. We set a course each year of what technologies we want each person to focus on and identify the courses and tests that need to be achieved. We compensate technical members with a quarterly bonus if they achieve their training target for the quarter. These are typically part of a certification track like MCSE or HP ASE. We meet with our key vendor partners and commit to particular training goals that fit our market and strategy. We in turn ask them to make commitments to help fund our training objectives and assist us in achieving the joint goals. The process has worked well as we report quarterly on what we have achieved and review our plan for the next quarter. Everyone understands what is expected: the engineer knows what they need to learn and what tests they need to pass, the vendor knows what we are planning to achieve and what help we expect, and we know what resources are required and the commitments we have made and need to execute to completion. Communication is the key to success in this area.

Business expansion

Arlin Sorensen

Business growth is certainly an area that HTS has had a lot of experience in. We have been involved in six acquisitions or mergers since 2002 and have experienced much growth as a result. It is not for the faint of heart, nor is it an easy process. But it is a very effective strategy to take your business to the next level. It enables much faster growth than doing it organically by opening an office or beginning to move into a market. It allows you to penetrate an area or vertical market by storm and get traction very quickly. It certainly is a valid means to move your business to a new level. That said, it also is filled with land mines and potholes that can be quite troublesome along the way.

The process begins with knowing if growth is really for you. Are you ready to do the things necessary to grow your business? As you add staff and grow, there are a number of things that become necessary to deal with, things that are not so necessary if you are maintaining your status. You must think this through carefully because once you make the plunge, you're committed. It is much easier to get into an acquisition or merger than it is to get out of one. Take some time to really think through what that would look like for you. I am a huge believer that most of us as business owners do not spend nearly enough time on the planning process.

Reasons to grow:

- Increase footprint (customer base)
- Increase vendor awareness
- Increase distributor relationship
- Grow technical skill set
- Create sustainable mass
- Create exit value

Reasons not to grow:

- More \$\$\$
- More people
- More requirements from vendors and distribution
- More credit facilities
- More systems required
- More connectivity
- More management
- More policies/procedures/plans
- = More work

Before you begin to expand, you should have identified your life plan and have a business plan in place. You have to know why you get up in the morning and what your passion is every day. If you aren't passionate about your business and growth, then don't go there. If you are not 100 percent committed, the path will seem too difficult; and it will be almost impossible to turn back. You really need to know what drives you clearly and know how that impacts your business goals and future dreams. I recommend to my peer groups creating three written documents.

1. Their life plan with all personal goals
2. Their business plan with all goals related to their company
3. Their CEO or president goals which define what they will do specifically to lead their company to its success.

One of the blessings of owning your own business is that you get to be your own boss. One of the curses of owning your own business is that you are your own boss and have no one to report to. Accountability is a key success factor and often one of the reasons that many small businesses do not grow. We all need someone looking over our shoulder and asking us the hard questions. That is why I have started peer groups (ww2.htgmembers.com) which meet quarterly to provide the "board of directors" type relationship among a group of peers. The focus is on execution and that is a critically lacking skill for many of us as small business owners. We often know what we need to do; we just fail to do it consistently day after day. If we don't feel like it today, no one is there to ask us why we are not performing. Enter peer groups. This playground peer pressure can be extremely effective in driving behaviour. No one wants to stand before his peers and have to admit failure in achieving goals. I encourage you to consider finding someone or some way to become accountable if you intend to expand your business. You need that accountability to truly succeed.

Once you have made the determination to grow, how do you make that first move? There are four ways to grow:

• Organically

- > Difficult to find skilled people
- > Slow and tedious process
- > Requires lots of management

• Mergers

- > May have to take on partners
- > Have to meld different cultures
- > May be some baggage you have to carry or work through

• Acquisitions

- > Requires cash
- > Can be difficult to retain staff
- > Can be difficult to retain customer base

• Partner

- > Hard to find synergistic companies
- > Have to trust the other company deeply
- > Good way to fill in gaps in skill sets or solution offerings

First you need to know which method of business expansion you plan to use—will you acquire and buy a business, or merge and bring in new partners? I have done both, and they are equally effective and valuable. I would never merge with a company unless I wanted to bring in additional key management and leadership. In that case, a merger may be the best way. You have to remember that mergers often require giving up some ownership, so you need to wrestle through that one before you approach the subject. Are you willing to allow someone else to own part of the company? If not, you need to acquire. But if you need a particular skill set and can find a company that is compatible with yours, and has that needed skill to offer, merging may very well be the best route. In my case, I have done two mergers. With the first I gained financial and sales/marketing expertise. In the second came operational leadership. All of these key teammates are now owners in the company with me. I no longer am sole owner and actually don't even hold majority ownership any longer. I have used the business to do some estate planning so my kids have ownership along with my partners. You need to know who you are dealing with when you make those decisions. Surprises are bad in this setting. Acquisitions are the correct choice if you are trying to move into a new market or vertical but have plenty of management bandwidth already or are uncomfortable with what you might be getting. I have done several of these as well, and they certainly have a place in the process. The key with an acquisition is how you structure the deal. We would never buy the business, only the assets we want, and then hire the employees we want to maintain as an employee of our company. The business we bought just goes dormant—we don't have any interest in or activity with it. That prevents us from bringing in liability we may not know about.

So how do you find a company for M&A? One of the best ways is through getting to know people at industry events and shows. We have known all the companies we have been involved with prior to our M&A activity. It happens at trainings, partner events, or other activities where business owners tend to gather. We are continually on the lookout for companies that fit our geography and might be available for purchase. Often finding distressed companies is the best way to get started. It may be as a result of someone who is older and ready to get out of the business, or who are financially challenged and need to exit. Whatever the case, there are plenty out there who are looking for a change and a big part of it is being in the right place at the right time. A second tactic is simply to ask. Send out some letters to companies in the market you are looking for, and see if anything comes up. We often find that there are plenty of companies that are willing to consider selling if we only ask. I know partners in our peer groups that send out a dozen letters every week just to keep a pipeline full of potential targets. They are out there, and it is often about timing as much as anything. By sending out the letters, you are letting people know you are a potential buyer. If they are not ready today, they may be in the future so it is a good idea to keep that process moving. Here are some potential target areas for you to consider:

- Strategic Location
- Strategic Market
- Competitors
- Adjacent Industries
- Strong Management Team
- “Tired” Ownership
- Boutique Investment

So the \$50,000 question is, “What is a business worth?” There really is a very simple answer. A company is worth whatever a buyer is willing to pay and a seller willing to accept. There is no other magic formula. It can be a multiple of some number but every deal varies. The reality is that as a buyer you want to pay as little as possible, and as a seller you want to get all you can. Those dynamics make for some interesting activity but overall it is really a lot of fun. Consider it as a way to go after growth. This is a partial list of valuation factors you might consider:

- Earnings (Multiples of EBITDA) *
- Tangible Assets
- Risk/Intangibles/Reputation
- Industry Trends
- Terms
- Customer Concentration
- Recurring Revenue/Guaranteed Contracts
- Quality of Management Team
- Large Future Projects
- Technical Talent
- Vendor Relationships

* EBITDA is earnings before interest, taxes, depreciation, and amortization, which effectively means the amount of cash that a business is truly generating. The other aspects impact the total return but are not directly related to the ability of the business to generate cash flow.

Closing the deal is often not the hard part; doing the things necessary to make sure you get what you expected is. Pay attention to these things as you are completing due diligence on any deal:

- Detailed audit of books
- Detailed audit of customers
- Understand liabilities (may not be written)
- Assurance that seller can meet the commitments in the contract
- Consider type of purchase or merger
 - > Stock
 - > Assets
 - > Just employees and customers

Here are some key things to consider if you decide you want to grow:

- Financial considerations—don’t under-capitalize
- Market opportunities—know the market and the competition
- Lifestyle considerations—understand the impact on family
- Leadership/management bandwidth—make sure you have the capacity or hire it
- Speed/timeline—determine your patience
- Risk—can you (and your spouse) sleep at night?

Finally, I have five rules that I think are critical for any deal you might decide to pursue. Remember that not every deal is a good deal. You have to be able to walk away if it is not happening the way you need it to in order for the deal to fit your future. Don’t let a deal pull you into something you will regret. Here are the rules:

- Be realistic in projections.
- Understand the process.
- Do your homework.
- Over-communicate after making your decision.
- Manage the process and advisors.

I am a firm believer that you need to grow or you will fail. Growth isn’t accidental. Sustainable growth takes planning and consistent execution. You can do it but growth is synonymous with hard work. Don’t attempt it unless you are completely committed.

Andy Trish

Arlin is well conversed in mergers and acquisitions and his advice should not be taken lightly. In our three short years in business we have already acquired a company we used to be employed at, and have learned from that experience.

I will be talking more about organic growth, which is the way you will more likely grow in the first few years. The nature of an entrepreneur is that they, being bold, creative, and decisive, are fundamentally bad at management. To expand properly you need someone who is cautious and systematic.

When we talk about organic growth I am going to take you back to nature. In spring the plants push up through the soil, but do they really have a choice or is it that the time is right for them? You will find it the same way, when the time is right for you to expand you will know—expanding before then will stunt your growth and possibly even damage your roots.

If you are a sole trader the biggest step you will ever take in expanding your business will be to take on a second person. You may decide that person will be a partner or an employee depending on your needs at the time. Whichever way you do it that person will need to show commitment to the company. You will be used to working hard and will know your customers inside out, and there is nothing more annoying than having to share your profits with someone else who doesn’t have the same viewpoint on growing the company or as much commitment as you do.

Organic growth takes great planning and a good understanding of the financial status and prospects of the company. NCI was started by three of us sitting in a bar working out our strategies and business plan for the first year. I founded it, working from a small bedroom at home made into my office and gathering enough business together to be able to finance the wages of the three of us. Within three months we had all moved in to an office with a workshop and had already gained a good customer base. By the end of the first year we had seven staff and had turned over \$1.5 million.

By creating a great structure offering support contracts to our customers, combined with our willingness to work all the hours we needed to, we managed to secure a steady recurring annual income which was enough for us to plan our future staffing needs. Concentrating on engineers at first, we gained enough people (who could go out on the road and fix stuff and also produce further profit for us) to start looking at our administration needs. We realised it would be better for us if our engineers were working on technical things rather than answering the phone.

Every single person in our organisation works hard and generates a profit for the company, otherwise we would not employ them. In return they get a good wage and additional benefits with the knowledge that they will benefit more and more as the company grows. Employing staff is not just an additional wage you have to find, you also need PCs for them to work on and vans for them to drive, plus there are phone bills to pay and the dreaded relevant taxes. Work out the costs before you make the jump.

Do not think that getting more staff will instantly generate more profit, it simply doesn't work that way. But you should think that if after the first month they have not settled in or are not working as you expected, that it may be time to talk with them to see what can be done to get what you pay for. Always give them an employment contract stating a trial period whereby both parties can decide to opt out. Ours is three months, and can be extended if we feel it is necessary.

Wages and bills have to be paid. If you have more work than you can cope with and the extra work will help pay the wages of someone else, then consider taking another person on. Once they join they will generate a further income themselves. Don't employ for employing sake. Look at how many companies make people redundant and still generate the same income. Wanting to pay someone to do a job is completely different to needing someone, even though the recruitment agencies selling you the person may have a different view.

There are seven key traits small businesses need to follow to be in a position to flourish:

- Be a leader not a follower.
- Take calculated risks.
- Be innovative.
- Diversify.
- Have a clear single identity.
- Become early adopters.
- Strategise long-term.

|| Recruitment

Andy Trish

Taking on new staff in a small business will always result in additional work for you initially, especially if you have been working alone for a while. Not only will you have the added responsibility of finding the money to pay them each month but all the other things that come with taking on other people such as health and safety, training, their welfare, and most importantly you checking they are doing the work you pay them to do.

Before you start recruiting, look carefully at the position you want to fill. Write down all the tasks you feel they would need to do for the money you will be offering them, what responsibilities they will have, and what their potential is if they take the position. Take this into the interview with you to refer to and ensure both the candidates and yourself are happy with the job role.

Although you are looking for someone capable of doing the job you are employing for, personality and attitude count an awful lot initially. Growing your business is very stressful in the early stages so ensure that anyone you hire can put up with your moods (I admit to being unbearable at times in the first year—if my staff read this, yes, JUST the first year). As a business owner you are probably used to working long hours for little pay while building the business up, but it will hopefully be worth it all in the end. Your staff on the other hand get paid for the hours they work and you must accept that they can go home at the end of the day and forget work for the evening.

Plan the job roles you need. Do you want someone to help with the simple work while you continue with what you do best, or someone to share the workload, or someone to work on tasks you know very little about? Look at the pay scales of the job roles and determine if you can afford them—paying someone below the going rate means you won't hold on to them for long.

Recruitment agencies have a whole database of qualified and unqualified people in the industry looking for work. They can normally supply someone fast but they charge for their service and if it doesn't work out that can be an expensive trial. Now that we are bigger and more prominent in the area, we regularly get resumes that we put on file and refer to if a new position becomes available.

Work experience is also a good way to find out whether the person is suited to working for you. It is a lot easier to see how the person reacts to the day to day issues you'll encounter over a two-week period than two or three interviews. People who want work experience are either young or untrained; this can be a great way of getting the person to work how you want them to.

When you look through the resumes, be sure to read in between the lines. I have read a few that said they were employed at the same training company I used to work for at the same time I did, quite a strange claim, because there were only four of us and I'd never heard of them. It is common for people to enhance their skills on a resume, and it is your job to find out what they are actually good at in the short time you have them in the interview.

If you are employing someone in a technical role don't just take qualifications as acceptance that they can do the job—experience also counts. Our staff who gain experience are encouraged to get qualified, too, and qualified people we interview are asked to demonstrate their skills in our workshop by completing set tasks relevant to the position they are offered.

Arlin Sorensen

Good people are hard to find. We have had one very successful way to work with the recruitment process, which involves selecting interns at a local high school we support while they are in school. Every two years, we interview and identify a new intern to work with our team for the next four years. They are paid some by the school but basically serve as our eyes, hands, and feet within the walls of the school while we perform services across the wire remotely. These young people are given access to our PSA system to enter and close tickets and serve as an extension of our company. We mentor them and gradually as they go through their four years of high school, they are given more responsibility and security clearance. By graduation we have a pretty competent young engineer working with us. We provide employment during summers and breaks to help them earn spending money and to train them in our processes and deepen their technical and customer service skills.

Upon graduation, we pay for part of their education at the university each year until they graduate. This is done in exchange for their commitment to return and work for us one year for each year we invest in them. These kids graduate with a degree typically in some form of engineering and are extremely bright. Since they will have worked with us for 8 years by the time they graduate from the university, they are very familiar with our system, processes, and clients. They are able to plug into our team immediately and become effective on day one. Since they are local, they are not as likely to move to a large city to chase the bright lights and higher pay. That is the key for us. We can hire people from the cities and bring them to our tertiary markets, but they don't stay. We train them and invest in them only to see them leave in a year or two in order to go to greener pastures where they can make more money. By working with these younger kids, we are able to keep them in our organization because they know the area, their families are there, and they are satisfied with the lifestyle we can provide.

|| Key philosophies of life

Arlin Sorensen

Here is a list of key truths that I have found to be critical to success:

1. **Follow the golden rule.**

Treating others the way you would like to be treated is a great standard to have for life and how to treat everyone around you. If we learn to think of the other person first and put ourselves in their shoes, we do the right things. Customer service is not about what I want to do, it is about exceeding the expectations of the customer. It is all about taking care of people.

One of the biggest ways I try to live this is in how I respond to people. I try every day, hour by hour, to treat communication from others with the same attention as I would like them to do with my calls or e-mails. People don't make contact with each other just to get an answer "sometime." When they call or send e-mail, they typically have a question that needs attention. I strive to treat my e-mail correspondence just like a phone call—requiring a quick response to give the other person the information they request. That has probably been one of the greatest reasons for our growth with other partners and our vendors. When they send me an e-mail, I respond. My personal rule is never more than 24 hours but normally within 4 hours. That is not how most people respond. I hear over and over "thank you for responding so quickly" and "I wish everyone would treat me the way you do" in regards to an e-mail response. I have those expectations of those with whom I communicate. It is a policy at HTS to respond within 24 hours. Treating others the way I want to be treated in the area of communication is critical to living out the Golden Rule for me.

2. **Life is about relationships.**

While we are in the technology consulting field, in reality we are in the people business. What we do is all about building relationships. We have to learn to connect with and communicate clearly to those we serve. Too often we focus on the technology or on problems clients have but miss the opportunity to impact those people personally in areas that really matter. At the end of the day, technology comes and goes. But the people we serve, the life issues they face, will be there forever. We need to make sure we are focused on the right things. You don't get paid hourly to help people work through their personal issues as a billable event; but if you love people and serve their needs first, you will have a client for life. That happens whether you are a technical genius or not. People first want you to care for them and then fix their business problems. Too often we rush to the technology and miss the people. We have a chance to make an impact in people's lives that matters if we only take the time to listen. Love is the killer app—as the title of a great book says. Life is all about relationships. Don't miss that when you serve your clients. Take time to listen, and it will be the foundation for a lifelong relationship. Business happens when you learn to really connect.

3. **Failing to plan is planning to fail.**

I wrote about this in the business expansion section, but want to re-emphasize it here. It is that important.

4. **"Vision without execution is hallucination."**

– Thomas Edison

This is my theme as I run HTS and lead other partners in peer groups. The biggest single failure I see today is that people don't execute. They know in their mind what needs to be done. Many know the process and steps to take. But they get distracted by the noise and fail to perform. They fall short because they do not put enough effort and focus on execution. In our HTG groups, we are completely focused on this paradigm. Members have to set three goals at the end of each meeting, and when we meet the next time three months later, they have to stand before the group and tell the others how they did in executing their goals. No one wants to stand up and admit failure. We are all driven to succeed, but as business owners there is no one there to hold us accountable so we can make excuses for not getting things done. What a lousy way to run a business. This lack of accountability keeps many businesses from really growing and becoming a success. I encourage you to get involved with a group of people who will hold your feet to the fire. It may be your spouse/partner (don't really recommend that as he/she probably does it already at home), or it may be other business owners who need the same done for them. That is the foundation of the peer groups we run. Find some way to make sure you have to execute.

5. **Under-promise, over-deliver.**

One of the greatest things I have learned the past five years has been this principle. Too many people promise much and produce little, disappointing clients, vendors, and employees alike. It is far better to be very conservative in what you promise and have the intention of going beyond that so you exceed expectations rather than fall short. People who experience things that exceed what they expect are very happy about it and will tell others about the positive experience. This little rule will keep you focused on happy times, not unpleasant discussions because you did not perform.

6. **Failure is not an option.**

My team hears these words over and over. Too often people do not plan, prepare, and perform in a way that achieves success. Much of that failure comes because we allow failing to be a potential outcome. It just can't be. We have to achieve. This is never more true than when commitments have been made, timelines set, and people's lives planned around what you have told them. Stay focused and on course. Don't let your mindset be one that even entertains the "what if" scenarios. Stay the course and pursue success. It can be yours.

7. **Choices determine life.**

Each of us has been blessed with 168 hours every week. We get to make choices on how we will invest those hours and the net result of those choices will be the impact of our lives. We are not living a dream or a game. Life is lived for keeps and what we do matters. Every day we have to choose how we spend each minute. If we have not thought through the importance of those decisions, we will likely make choices to invest time in things that don't matter. We need to make sure we choose to invest time in the priorities of life. Our faith, family, people—those are all much more important than money. We must prepare to make those choices over and over, day after day, or soon we wake up and wonder where life went. As I become more mature (a nice way to say I am an old guy), I realize that many choices in my life were spent wasting the precious hours of my day doing things that were not important. We need to be deliberate, intentional, and focused on how we live. Our time on earth will end sooner rather than later, so now is the time to make sure we have no regrets and have made choices to use our most precious gift, our time, wisely and on things that matter most.

8. Change happens.

One of the differentiators I see over and over as I lead peer groups is how people react to change. Things will change. It is a given, particularly in this industry. Tomorrow will be different. Those who are excelling in our industry have made a conscious decision to embrace rather than resist change. It is possible to slow the pace of change by ignoring it, fighting it or refusing to accept it. But it will happen. Not all change is good. My dad tells me that repeatedly and I agree with it. But change happens anyway, good, bad, or indifferent. The world keeps moving. Success is often determined by how we respond to that change. Think about your process of change management—in your personal life as well as your business. Have you created a way to make sure you are effectively helping change proceed in a positive manner? If you do your chances of happiness and success are much greater. You can't stop it. Use it to grow and become better as a person, leader, and business person.

9. People are not perfect.

This is a difficult one to remember at times, but is so very true. My first clue is when I look in the mirror and see me. Nothing perfect about that. And if there was a perfect person out there, just associating with me would likely mess up their perfection. So I have to accept the fact that people make mistakes.

First I have to be willing to admit that myself. Some of the hardest discussions I have ever had revolved around my admission of a mistake to my employees. No one wants to be wrong. But I have been. Sometimes those mistakes cost the entire company some lost opportunity or profits, and sometimes it affects only a few or one person. I have learned that when I make a mistake, it is time to admit it openly to those who have been affected and ask forgiveness. The boss has to be willing to be humble and set the tone for making things right if there is to be any hope for the rest of the team to do the same.

Secondly, there are no perfect employees out there. They make mistakes. My initial response is often to get excited, to scold, or punish what seems to be so stupid. But when I stop to think about it, I know that my team does not make mistakes to irritate me or make me mad. They don't mess up just to tick off the boss. Same story I tell my wife. I don't fail to be a loving husband and make a mistake at home because I want to live with a cranky wife. I just mess up sometimes. Brain goes into park or out in space, and I say or do something without thinking. Instant failure and imperfection. But most mistakes are not intentional. One of the principles I have learned is that more often than not we need to express grace when those things occur. Blowing up, yelling and screaming, or throwing things does little to fix things. I view my role as leader of HTS to be the "dad" to my team. I have to help them "grow up" and become better as employees. That is my responsibility. So when failures happen, those are coaching opportunities, teaching moments that I try to seize to help people grow. All of us were in those very shoes not all that long ago. Grace is a wonderful thing to be able to share. Humility goes a long way to making a wrong right. Don't wait for perfection, in yourself or anyone else. It doesn't exist. Just do your best in humility and help others learn from their mistakes. That is what leadership is all about—taking everyone to a higher level on their journey through life.

|| Services

Dean Calvert

There are so many opportunities to connect with your customers and provide them with solutions and services that will improve their business, and ultimately your bottom line. The real trick is to work out what to offer them.

I am a firm believer in "sticking to your knitting," which essentially means know what your core skill set is, what you can do well, and stick to that rather than trying to do everything and end up doing everything with mediocrity. This doesn't mean that you should neglect opportunities to extend yourself or your business—just make sure it's done in a manageable way.

If you want to provide more services to your clients, then there really are only three ways you can do this: expand the skill base within your business (perhaps by taking on additional staff/contractors), partner with another business who has skills complementary to your business (covered in a separate section), or drop less profitable clients/services in favour of better performing ones.

Whichever method you choose, make sure you have a clear plan of what is going to be presented to clients, how it is going to be presented, the anticipated outcomes, and how this can be measured.

As a relatively small reseller we have kept our focus on infrastructure and have partnered with other companies to provide additional services, including Web site design, database and application development, and specialist software packages. This is not to say we don't look at new opportunities, but these opportunities need to fit in with our business goals and capabilities.

All that being said, technology improvements have yielded great business opportunities for us all and we have found some of the following to be great additional-income generators for our business.

Mobility—Providing mobile phone devices and service to clients, more specifically tying this into the Direct Push capabilities of Windows Mobile® 5 and Exchange 2003.

SharePoint—This is perhaps the real "killer app" in SBS 2003 but can, of course, be applied to any Windows Server 2003 installation. You don't even need to be a SharePoint expert to benefit from this platform—just spend a few hours playing with it and solving some of your own business issues and you'll find you come up with all sorts of ideas that you can take to your clients. Beyond simple features such as document libraries, surveys, and lists you could partner with a developer to create custom web parts that meet your clients' specific business needs (a fantastic opportunity if you work with verticals).

CRM—Microsoft Dynamics CRM 3.0 has helped to create many opportunities for many resellers. It's an extremely powerful product that can be customised to suit just about any business requirement. We partner with an organisation that specialises in CRM development and support, which means all we have to do is introduce the client to this other company and then let them get to work. The usual end result is a client that's even happier, more profitable, and grows more, which means we provide even more equipment and services to them. They can be great sources of referrals too.

Managed services—This is perhaps the "holy grail," at least at the moment, for developing that magical RMR (recurring monthly revenue). There are many models, tools, and techniques for delivering managed services to your clients so take some time to develop the right model for you. However, it doesn't need to be perfect for you to start offering to clients—simply make sure you've got a reliable way of delivering these services, monitoring what you're doing, and reporting on it. This allows you not only to show the client what they're getting for their money but also allows you to report on how your managed services are working, and hence improve them for greater efficiency, profitability, and growth.

Whatever services you deliver to your clients, make sure you can monitor and measure them. If we measure things properly then we can improve them, which generally means an improvement to your bottom line.

Managed services

Arlin Sorensen

This is one of the hottest topics to hit our space for some time. I am certainly not going to portray myself as an expert because we are still trying to figure this out, but I do have some thoughts about that process that I want to share.

Managed services are like all other parts of the technology industry we have experienced the last 20-plus years. It is an important piece of an ever-changing process of delivering services to clients that meet their needs. What we define as managed services today is not the end all—it will morph, and already we are talking about the next thing related to managed services. I believe that will consist of much focus on business continuity and disaster recovery. The most important resource most of our clients have is their data, and we don't always have that protected as well as it needs to be. So I think the process of providing services that are more targeted and valuable will continue, and managed services as we know it will change again and again. After all, it really is risk management in the purest sense of the definition. We are moving the risk from the client to us as the service provider. We are becoming an insurance company, assuming the risk on what the cost to provide the needed services will be and providing the client a level cost they can budget for and plan around.

That said, how we sell it has to be very different as well. We are selling insurance, plain and simple, and need to sell our managed services as such. We are offering our clients the opportunity to pay a flat monthly fee (in many cases) in exchange for our taking on the risk associated with supporting their network and making their environment work. It is a very different sell, and part of the struggle many of us face is that we have not changed how we approach the client with our new products.

The key to managed services is not the tools we use. Tools will come and go, and I am confident that any decent tool will work. We are currently using tools from Zenith InfoTech and Connectwise as the backbone of our services, but we have a dozen other things we wrap around those, depending on the client's needs. Next week, month, or year, there may be an entirely new toolset to work with. It is not about the tools. The key to success in this business of managed services is the process. That starts with sales and marketing and includes how the tools are used, in terms of reporting, billing, quality control, and so on. It is the process that will determine success in this area, not tools. Just keep that straight and keep first things first. Make sure you spend most of your time defining the process and delivery, not picking the tool. If you do, your chance of success is much greater.

Managed services are not a fad. This is the first step in what I believe will continue to change toward software as a service, hardware as a service, services in the cloud or who knows what. We all need to be addressing our client needs and desires. It is very likely that level expenses are something that many will want. This is one key step along that path.

Mobility

Andy Trish

For many, remote working is no longer a dream. Mobility means more billable time, not just for your customers but for you, too. How many of you are promoting and selling services dealing with Windows Mobile 5 on a Smartphone? If you're not then I suggest you start. Mobility is the final piece of the puzzle when selling SBS; Direct Push e-mail is a fantastic way to communicate and is easily configurable.

Most SMEs have bosses who want to be in constant touch with work or sales staff that need to continually review their calendars and add contacts. The buzzword has long been Blackberry, but no longer—Windows Mobile is here and you can market this to all your clients knowing they will thank you for even just telling them about it.

The best way to sell Mobility is to use some of the features yourself, you'll never look back. As I write this I have a customer driving to me to get a demonstration of a solution which I am confident he will be impressed with. I normally send an e-mail from my laptop to myself while the customer is holding my phone (I use an Orange M3100 – HTC Hermes), with him watching, the e-mail arrives at my phone a split second after it arrives in Microsoft Office Outlook® on my laptop. I show them how CRM is easily accessed on my PDA and use electronic forms. I then discuss the other advantages of using this type of technology in their business. Hooked? I always feel good once I've made the sale because I know they will benefit so much.

We find mobility adoption starts with people accessing e-mail on PDAs, but there is so much more available for companies to look at. Line of business applications such as Microsoft Dynamics CRM, Mobile Instant Messaging, Direct Push e-mail, Unified Messaging, and full global address book access are just a few. The security features available are also great for clients who may lose their phone. Because they can remote wipe the phone from their server, they feel safe in the knowledge that although they may never get the phone back their data has been deleted.

Companies are discovering the value in having information workers do their jobs outside of the office. Work is no longer tied to a set, physical location.

Communicating with others and accessing and working with information while away from the desk is improving the productivity of all types of professionals—from consultants, sales representatives, and installation technicians to physicians, administrators, and store managers. Worldwide, 80 percent of companies are projected to start allowing their employees to work from home.

By giving employees access to the real-time data and vital information they need to do their work while on the go, their company can see many potential benefits, including:

- Greater worker productivity by decreasing time lost while on the road or telecommuting.
- Greater efficiency by replacing paper-based processes and increasing the speed at which people can make business insights.
- Increased customer satisfaction, because workers can respond to customers quickly, even when they are away from the office.
- More security and protection for mobile applications and devices through new hardware-enabled data protection.

In addition, organizations can take advantage of scalable and flexible solutions that adapt to their business needs as they grow. Companies have realized that mobile solutions can be used to drive a competitive advantage and are making mobile workforce enablement a technology priority.

STOP THE PRESS: For your information, the client mentioned above bought 10 phones plus configuration services with a view to purchasing 20 more.

|| SharePoint products and technologies

Arlin Sorensen

If you ask me, SharePoint is without a doubt the best, most underutilized product that Microsoft has ever built. There is something of value that can be designed for any user on a network running any kind of business. It really is one of those “too good to be true” kind of products—a huge value available for FREE. So why is it so underutilized by most today? Because it is somewhat abstract to understand and the partner community has done a poor job of showing our clients the value that SharePoint can help provide their businesses. It is one of those products that needs to be seen and experienced before someone can really get their arms around what it can help them do. It is up to us as the trusted technology advisor to be able to explain and better yet show the clients the value SharePoint can help bring to their business if they only put it in use.

Our company has been guilty of that as well. We have implemented SharePoint when there were obvious needs or when the client really wanted it to be put in place. But too often we were content to do the installation of the server products and leave SharePoint there as a “future” opportunity. It wasn’t until I got involved with Erik Thorsell of Success Computing in Minneapolis and a member of one of our HTG peer groups, that the light bulb went on for me. That is really how the SharePoint experience usually is for clients, too. Once they see it, the lights go on, and they want it immediately. But in my case, the newfound thinking was around how we position the product to our clients.

We sell a lot of SBS to clients in our markets since we only serve SMB clients. Erik Thorsell, president of Success Computer in Minneapolis, asked me this important question: “Do you install SBS and disable or turn off Exchange?” Now the obvious answer is NO. We would not consider that unless the client had some very valid reason why that should happen. It is part of the fabric of SBS, after all. So then came the next question: “Why don’t you view SharePoint in the same way?” Dead silence on my part because I don’t really know. It is just as valuable as Exchange for our clients and it is included as part of the product. So why were we leaving a very important part of the value the product (both SBS and Windows Server) offers to our clients unimplemented? There is no good answer other than we were approaching it differently. We didn’t expect our clients to want it installed, so we did not really approach it in the

right way. Our approach now is to include a line item on every server quote, like Erik taught us, to implement SharePoint with a starter site that has some basic templates of value to their business. It works if you approach it that way. It is all about setting the right expectations and delivering a product of value to the client. They love it and come back with new ideas for ways it can be customized to fit their particular needs. But that won’t happen if they never get a chance to see it in action. That was our fault for approaching the sale in the wrong way. We need to expect clients to want the implementation. We need to expect that they will find value in the starter site and come back weeks later to see what else we can do to add value with SharePoint. It is all about the expectations we set and how we approach the client.

That said, Erik’s team and the HTS team have been busy building a Microsoft SharePoint starter kit for partners that will be released at the Worldwide Partner Conference this year if all goes as planned. This kit will help partners actually do exactly what I described above—simply and consistently deliver a set of templates that a client can use in their business as they are exposed to the wide range of features that SharePoint has to offer. I think this can be as impactful as the Microsoft Business and Technology Toolkit we built a couple years ago. Partners will be able to quickly provide their clients a look at SharePoint and create a foundation for ongoing consulting and development that brings value to their clients. It is a win-win for everyone.

If you aren’t implementing SharePoint, start by setting it up internally and using it for your company information. That is a key to allowing your team to get up to speed and feel comfortable talking about it. People sell what they use so get it running on your own server and learn what all it can do. It is not only a great nugget that can be beneficial for your own company but is a great opportunity with your clients. And check out Microsoft Office Groove as a way to create a user-friendly front end for SharePoint. The file sync and offline features of Office Groove make the combination a really powerful set of tools that can provide unbelievable value. I use them both constantly and find them to be part of my daily routine of managing information.

|| Where do you go from here?

Arlin Sorensen

No matter what stage you are at in your business maturity, there are challenges ahead. Only you can determine your course for the future. I encourage you not to go it alone. Too many small businesses are run in isolation without any perception of how others do the exact same job. Find someone you can share with. There are many ways to do that. Peer groups are most effective from my experience, but user groups are a good source of ideas and feedback. Organizations like IAMCP can provide a way to connect with others who are in our industry. Many distributors have affinity groups that put people together with like business models and focus. In some cities, there are cross-industry groups you can belong to. In the United States, Vistage is a common way to get people in a local market that provide different products and services sharing with one another. Get connected to someone. Don’t try and run your business as an island. There is much to be learned if you will take a chance and share. It is work and requires commitment, but is worth the risk and investment. Much of what HTS has become is a direct result of ideas, processes, and activities we learned from other people in our channel. We didn’t figure it out alone. We shared freely what we were doing and were blessed to learn from other talented and gifted people in this industry. We are surrounded by smart people on all sides. We just need to share and then watch, listen, and implement that which is shared in return. That is the biggest piece of advice I can give you. Find someone to learn from. Be mentored by another and then turn around and find someone you can mentor as well. That will do much to lead you to success and fulfillment in your life.

Dean Calvert

I have heard a saying that the person you become is a result of the books you read and the people with whom you associate. In many ways I believe this is quite accurate and applies not only to the person you are at a personal level but also can be applied to the business you run.

In fact your business will become an extension of you whether you like it or not, be you an owner, manager, or employee. The culture of a business is created as a result of the people within it and a successful business is one that consists of people who want to be successful.

If you want to be in a business that has a “can do” attitude, provides exceptional service to its clients, and is really going places then you need to be this type of person first. If you want to create a successful business then you need to define what success is for you, know the type of business you’re going to build, and then create a business that behaves this way from day one.

So as the section heading reads, “Where do you go from here?” You need to work out what the ultimate destination is for you before you work out how to get there. There’s section in the book *Alice’s Adventures in Wonderland* by Lewis Carroll where Alice is standing at a fork in a road and asks the Cheshire Cat which way she should go.

Alice asked, “Would you tell me, please, which way I ought to go from here?”

“That depends a good deal on where you want to get to,” said the Cat.

“I don’t much care where—” said Alice.

“Then it doesn’t matter which way you go,” said the Cat.

So as much as it would be simple for the authors of this book to tell you what to do next it’s really up to you! You need to know what your own goals, dreams, and aspirations are first and then work back to where you are now. Will doing what you’re doing now get you to those goals? If so then that’s great—keep forging ahead and look for ways to get closer to those goals.

However, if the path you’re on won’t lead you to those goals then you’d better make some changes in what you’re doing.

I’ve found reading about those more successful than me, who have built businesses similar to what I want my business to be, to be a great way to learn and move ahead. One of the great things about attending IT events including SMB Nation, Microsoft Partner Conferences, or even user group meetings is that you get to spend time with people working in the same industry, many of whom have probably experienced similar problems to you, and you can learn a great deal from each other. Personally, while I find the sessions at events like the Microsoft Worldwide Partner Conference interesting I actually get a lot more out of networking with other business owners—people just like you!

Don’t be afraid to ask for help, share the lessons you’ve learned, and be prepared to take some risks. No pain, no gain!

Andy Trish

If I were you, the first place I would go is the Microsoft Partner site and sign up. If you are already a partner, then go for Gold. It is not an easy task to achieve, and harder to keep, but it is well worth the effort, and by doing so you'll find yourself giving back to the partnership in ways you would have never dreamed.

The next thing is market yourself and your business, create a professional-looking Web site, and tell people about the services you offer.

Know Windows Small Business Server inside out, take all the training you can, and join the newsgroups. There is so much SBS has to offer and you can run a successful business with just a small part of it.

Beta test Microsoft products. I firmly believe there are going to be companies out there in a couple of year's time turning over many millions of dollars that don't even exist yet. Live Communications Server 2007, for example, is an awesome product and it hasn't been released yet. Learn it, sell it, and take the market before someone else does.

Arlin is right, work with others even if you are a sole trader and you'll flourish, try and go it alone and you'll find it hard. We have been through the mistakes people make at the start, and we give our advice freely. Now it's down to you whether to accept our advice or not.

One last point, we are in business to make money, we work hard, grow and reap the benefits and we love our customers. You can too.

Biographies of the authors



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Andy Trish was born in Liverpool, UK, where he lived with his parents and four brothers and sisters until the age of 16 when he joined the Fleet Air Arm in the Royal Navy, carrying out a variety of tasks including firefighting, air traffic control, and recruitment. He was awarded medals for both the Falklands War and service in Northern Ireland.

After 17 years service he left to pursue a different career. After a couple of false starts he was persuaded to attend a training course for Microsoft Certified Systems Engineers by his wife, Lynn, who believed his interest in computers could turn into a career. Due to his existing knowledge, part of the way through the course he was employed by the training company to teach it.

After two years and a 100 percent pass rate, Andy decided to seek work in the industry doing the work he had been successfully teaching and gained employment with a long-established local company. Three years later the company was sold and Andy and two other senior engineers decided to leave and create their own company. NCI Technologies was formed in 2004 and he has never looked back, eventually acquiring his old company in 2006.

Married for more than 22 years, Andy owes his success to his lovely wife, Lynn, who has supported and assisted his decisions all along the way. They have two grown children, Adam and Katy. Andy and Lynn love vacationing in Florida's Gulf Coast where they enjoy exploring the wildlife and wonderful beaches in the region.



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Arlin Sorensen grew up on the family farm near Harlan, located in rural western Iowa. He attended Iowa State University, graduating with a degree in farm operations. He came back to the farm with his wife, Nancy, and began farming in 1977.

In 1982, he purchased his first personal computer, an Apple II+, to assist with his farming operation. His newly found hobby turned into a part-time consulting business, and in 1985, became a retail business. In 1990, along with his brother, they decided to form Sorensen's Computer Connection Inc. (SCCI), which today does business under the name of Heartland Technology Solutions, of which he serves as CEO and President. Arlin still resides on the techno-farm near Harlan, Iowa, where the HTS headquarters is located.

Arlin enjoys travelling with his wife of 29 years, who helps keep him focused and productive. Arlin and Nancy have two grown children: Peter and his wife, Megan, and a grandchild Micah; and Laurie. He is the founder and leader of three peer groups called Heartland Tech Groups (HTG) with 12 solution provider partners from all over North America as members in each group. These 36 companies meet quarterly in their three groups for two-day events that Arlin facilitates. He serves as a mentor and coach while holding these company leaders accountable. Other partners in Heartland Technologies are leading additional groups as the peer concept takes off. More information is available at ww2.htgmembers.com.

Arlin and Nancy are very involved in their church and host a small group in their home each week where they invest in other couples and encourage them in their daily lives. He is actively involved in the teaching ministry at their church as well. Hobbies include photography and sports along with family history and genealogy. On occasion, Arlin loves to climb into the combine or tractor and help with planting or harvest as well.



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Dean Calvert is owner and Managing Director of Adelaide-based Calvert Technologies, a Microsoft Certified Partner and South Australia's first Small Business Specialist.

For more than 12 years Calvert Technologies has been one of Adelaide's leading providers of IT solutions and services in the SMB market. Dean has presented at SMB Nation (Seattle and Redmond), Microsoft ANZ Partner Conference (Sunshine Coast), Microsoft Worldwide Partner Conference (Boston), Tech-Ed (Gold Coast and Sydney), plus additional Microsoft partner and customer events throughout Australia.

In October 2004 Dean was recognized as a Microsoft MVP (SBS) and has recently been selected as Australia's first Small Business Specialist Community Partner Area Lead. Dean also facilitates the Adelaide SBS Users Group (www.sbsusers.net), which has been running since July 2003.

Dean is extremely fortunate to be the husband of Vivienne and father of Reece and Brittany, who regularly pull him away from his computer to show him what life really is all about.

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