



How to be a Better Tech Consultant

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Agenda

- Dilemma
- Answer the important questions (Who, What, When, Where, How, Why?)
- What are you selling?
- Pricing Strategy & Grade
- How do you acquire new customers?
- Who do you work for?
- W-2 vs 1099 vs C2C
- Contracts and Insurance
- Billing and Cash flow
- Consultants Lifecycle of Work
- Time vs Money

Appendix

- Business Startup Check lists
- Tools of the Trade
- Work\Bid Portals
- My Favorite Companies for outsourcing

Dilemma

- You have been consulting for the last few years and you are not seeing an increase in sales or profits.
- You started your tech business with not much planning or preparation.
- You are working as a salary worker and want to become a tech consultant.
- You started your tech business and want to minimize your pitfalls and failures.

Solution: Join this webinar, read this deck and follow my blog @ www.boomertechnologygroup.com

Answer the important questions

- Who am I as a consultant?
- What services do I offer?
- When do I offer these services?
- Where do I go to provide these services?
- How do I provide these services
- Why do I do this ?
- Explain your business in key words and 2 min elevator pitch.
- Focus your costs of services in a grade level (low, med, high)?
- The Why is as important as the how.

What are you selling?

Services defined as what?

- Time and Materials
- Fixed Price
- Fixed Bids

What are the Units of Measure?

- Hourly Rate
- Daily Rate
- Weekly Rate
- Project Rate
- Formula (40 hours per week x 50 weeks = 2080 hours)
Assumes 2 weeks of PTO

Pricing Strategy & Grades of Services

What is your Pricing Tier?

There are levels to hourly rates. As you have middlemen between you and the end customer. Each layer adds on margin for the total billable rate.

Price your hourly rates on level of quality and service you plan to provide. Are you the Walmart of consulting based on volume? Versus the Neiman Marcus of consulting - based on high quality.

3 Tier Concept for Hourly Rate

- Tier 1 = Top Pricing (\$150-\$500)
- Tier 2 = Medium Pricing (\$75-\$150)
- Tier 3 = Low Pricing (\$25-\$75)

How do you acquire new customers?

- Marketing plan
- Sales plan and sales cycle
- Internet Marketing
- Cold Calling
- Networking
- Mailers
- Advertising
- Publicity

How do customers find you?

What search methods do you use?

How do you define your ideal customer?

How often can they use your services (8 hours per day or 24 hours?)

Is your business recession proof?

Do you work for a middlemen companies as a sub-contractor?

Who do you work for?



- Middlemen always take a high % of your margins because they have direct contract with client.
- Goal is to get direct clients whenever possible.

W-2 vs 1099 vs C2C Invoicing

- Consult an Accountant \Bookkeeper to decide which best fits your lifestyle and business setup
- More advantages for LLC's, LLP's and Corporations. Also more headaches
- C2C (Corp-to-Corp) when your business is a entity that bills customers

Pay Type	Pros	Cons
W2	Taxes taken out on your behalf	Usually lower hourly rates
1099	Usually higher hourly rates	You must make tax payments
C2C Invoicing	Usually higher hourly rates	You must make tax payments

Contracts and Insurance

- **Do you have business insurance?**
- **Do you have an attorney to review contracts?**
- **What legal actions can you take for non-payment?**
- **How do you resolve contract disputes? Arbitration or small claims court?**
- Workers Compensation
- General Liability
- Cyber Liability Insurance
- Errors and Omissions Insurance
- BOP-Business Owners Policy
- Fidelity Bonding

<https://www.techinsurance.com/professions/it-consulting>

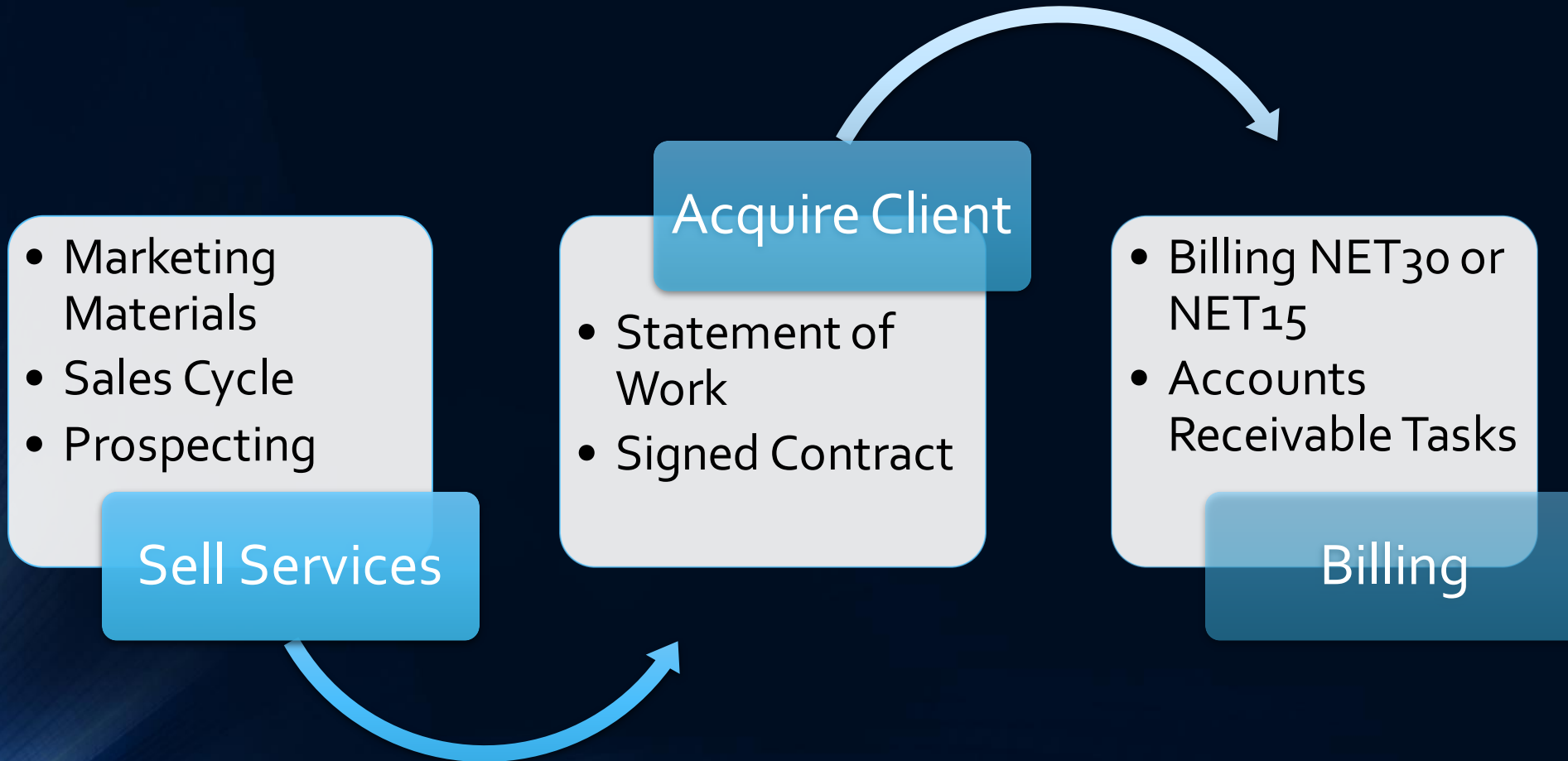
Billing and Cash flow

- Seed capital
- Working Cash Flow (monthly)
- Emergency Funds
- Credit Cards and Debt Service
- Bank 20-25% for rainy day fund
- Pay Day Loans
- Advances on Invoices

Best Practices

- Have 4-6 months of salary in your payroll account.
- Keep Corporate funds separate from Personal Funds
- Utilize Electronic Funds Transfers, instead of paper checks from clients
- Enable clients to pay via credit card

Consultants Lifecycle of Work



Time vs Money Paradigm

1. As a tech consultant you want to MAXIMIZE your potential to make money. Focus your efforts on your "Core Competency" to make the highest hourly rate. Alternatively you can spread yourself thin trying to chase every job opportunity thrown at you.
2. Focus on the accounts that pay 75%-80% of your annual revenue. The accounts that do not meet that criteria should be a secondary effort. *(Example: Company A will pay you for 3 months of work. While Company B will pay you for 12 months of work)* **Part time work gets Part time attention!**
3. Lastly outsource menial tasks that prevents you from focusing on High Profit Margin accounts. **Why spend 10+ hours per month on billing and accounting tasks? Just outsource it!**



Appendix-Resources and Tricks of the Trade

BUSINESS - Start-Up Checklist.

- Describe your business, its services, and its products.
- Identify your market.
- Analyze your competition.
- Assess your skills.
- Name your business.
- Determine your financial requirements (budget) and your pricing structure.
- Identify start-up costs.
- Select an accountant and bookkeeper.
- Determine your business structure.
- Check on zoning laws, licenses, and taxes.
- Select your location.
- Apply for a fictitious name (called a DBA for "doing business as").

Develop a business plan that includes:

- Business description
- Marketing plan
- Management plan
- Financial plan
- Obtain a tax ID number from the IRS.
- Apply for a city business license or home occupation permit if necessary.
- Select a banker, attorney, and insurance agent.
- Open a business banking account.
- Arrange for financing (or set aside capital for a worst-case scenario).
- Obtain business insurance.
- File legal documents to register your business.
- Set up your financial records.
- Select a logo; order business cards and stationery

Work Smarter with better Tools

- SmartPhone
- SmartTablet
- Laptop with Virtual Machines
- G-Suite (E-mail, Calendar, etc)
- Office 365
- Zoom
- Slack
- QuickBooks
- Cloud Storage (OneDrive, Google Drive, iCloud)
- OneNote, EverNote
- Travel Apps (Expensify, TripCase, Airline App, Rental Car App, Parking App, Transit App, Mapp App, etc)
- Corporate Credit Cards

Use MBO Partners to jump start your consulting!



<https://www.mbopartners.com/>

In Business Services MBO will:

- Help establish your company (if necessary)
- Guide you through PwC's on-boarding
- Cover you under our business insurance
- Invoice PwC on your behalf
- Pay you as you work
- Give access to medical, retirement, and other benefits
- Provide personal, helpful support

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Catalant will:

- Provides a "FREE" Portal for you to bid on work from various global companies
- They provide billing and collections on your behalf for a % invoices
- They provide contracts to clients and you
- They offer other services

Find work on BTG Site for Free!



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BTG will:

- Provides a "FREE" Portal for you to bid on work from various global companies
- They provide billing and collections on your behalf for a % invoices
- They provide contracts to clients and you
- They offer other services

My Favorite Companies for outsourcing!



- Accountant
- Website Developer
- HCM Services
- Networking and Cloud Services
- DevOps Outsourcing
- Payroll & HR Services



My Favorite Companies for outsourcing!

- <https://www.techinsurance.com/professions/it-consulting>
- <https://www.mbopartners.com/marketplace/find-independent-consulting-jobs/faqs/>
- <https://talentexchange.pwc.com/>
- <https://gusto.com/tools>
- <https://www.pclinkup.com/>
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