e NETWORK NEWS

2009 Summit Details Finalized, Slate of Officers for 2009—2011

This publication will be sent to members electronically and on the website   By: Claudia J.. Betzner

Special points of interest:

- 2009 Summit Program
- 2009—2011 Slate of Officers
- New Members
- Sponsorship Opportunities
- Three key Levers of Services Profitability

The Mission of SIA is to serve as a forum where every member can enhance their business and to take collective action for the betterment of the industry whenever necessary.

We have three Keynotes confirmed for this event. First is **Dr. Michael Cox**, a leading economist and published author with the U. S. Federal Reserve Bank. I know you will all be interested in what he has to say about our future and the global economy.

Next we have **Jerry Bowe, the new CEO of Masterplan** who has had a lot of experience as a turn around expert of how companies can reinvent themselves using smart survival strategies.

On day two we have Tom York of IBM who will discuss What can you do today in this economy to Reduce Costs; Steps to reinvent your company in the reality of today's business environment. Tom's session will have a hands-on operational focus.

We have the **Smart Survival Industry Panel** – This panel will include executives from companies that have been through the reinventing process, what they learned, what they would change: Douglas Schmitt, Director Client Services Marketing Dell; David Anderson CEO Expresspoint; Wayne Moore, CEO & President Sonora Medical; HP (invited not confirmed).

We will continue the brainstorming session led by Dr. Alexander and have added a "Growing the Business Session." For a limited time only in January we will be providing a greater discount for multiples from the same company. Please go to the website for more information or contact SIA.

Finally, we will reveal the results of the **Bottom-Line Benchmarks & Best Practices (BBB) Survey of SIA**, which members have access to. Special Thanks to Marc Melkerson at Renova for developing the web portal and Michael Blumberg of Blumberg Advisory Group for compiling the data.

You will also find in this Newsletter the proposed slate of officers for SIA for the 2009—2011 term which will be elected by a majority of the membership at the spring summit in accordance with our bylaws. We still have open positions on committees which we would like to fill. If you are interested in being more active in SIA please let the Executive Director or a board member know. You can find the contact information on the back of the Newsletter. The open committees include:

- Conference
- Membership
- PR Committee
- Bylaws
- Benefits

New Volcano revealed at

New Members

ExpressPointTechnology Srvs. Inc.
InStock, Inc.
CDE Services, Inc.
Washburn Computer Group
Keystone Memory Gp LLC
Wellington Technologies, Inc.
Ingenico
Cilicon Solutions
Midrange Repair & Parts
Prism Pointe Technologies
Sonora Medical Systems
Hyper MicroSystems
Competitive Support Options
Anacomp Multi-Vendor Srvs.
Apex Computer

Assurant Solutions (Canada)
Networking Technologies & Support Inc.
Liberty Parts Team, Inc., IBM
Alexander Strategies

Trimble Mobile Solutions
Brad Corbett
(Depot Repair Center)
614 787 4329
Brad_corbett@trimblems.com
Plano, Texas

Field Solutions LLC
Marty Reader, E.V.P.
952 288 2506
Mreader@fieldsolutions.com
Minneapolis, MN

Andlor Logistics Systems
Paul Rupnow, Partner
604-687-1130 Ext.222
paul@andlor.com
Vancouver, B.C.

How would you like to receive a free 2009 Summit attendance? Just bring in the most new members and you will receive a free attendance. _The New Membership recruitment program will also put dollars in your pocket_.

SIA welcomes

Andlor Logistics

SIA needs your support

These are trying times with our economy the worse since the great depression and as a result some of our long-time sponsors have either decreased the amount of their sponsorship or in a couple of cases had to eliminate their sponsorship for 2009 but all continue to be members and will attend the summit. Some have been sponsors for almost 20 years and will revisit this next year.

As a result we are asking those of you that are in a position where you can step up to this challenge to please do so since SIA is a non-profit and our budget is very tight. We need sponsors for events for the summit and sponsorships are available as shown later in this article. Sponsorships for the Summit range from $1000 to $5000. Whatever level you feel comfortable with would be appreciated and accepted or if you just want to make a donation that too is acceptable.

Here are the corporate sponsorships:

GoldPlus $10,000
All Benefits from Gold plus, an additional six people attending the conference, and more prominent exposure on web, hotlink on first page, half day advance notice of "Service Request" from web.
Gold $6,000 Benefits include 4 ads per year in newsletter, hotlink on website and listed as a sponsor, listed in Newsletter and Conference Program. Exhibit space at conference plus one attendance. Permanent member of Advisory Board. Each additional person attending conference receives an additional $100 discount.
Silver $3,000 Benefits would include two ads per year in Newsletter, listed on web with hotlink, listed in Newsletter and conference program, tabletop at conference, plus each person from same company gets an additional $100 discount to attend conference.
Bronze $2,250 Benefits include two ads per year, listed on web with hotlink, plaque and tabletop display at the conference.

2009—2011 SIA Slate of Officers

Executive Board (Elected by the Current Board)

Rich Guglielmo, President SIA & C.O.O. AMCOR (Rich was nominated and unanimously elected President by the Board and has graciously agreed to serve for the 2009—2011 time frame)

Michael Lipson, Secretary-Treasurer Elect & Vice President MedEquip Biomedical (Michael was nominated and unanimously elected by the board and has agreed to serve for the term beginning April 1, 2009)

Claudia Betzner, Membership Committee Chair & Executive Director

Elected by the Membership at the annual meeting:
Medical E.V.P. **Peter Brooks**, President & CEO ISS Solutions
IT E.V.P. **Bill McCubbins**, C.O.O. & V.P. POSDATA (A Control Solutions Company)

Members at Large who have agreed to continue serving on the board and place their name on the ballot:
Randy Parks, Director Diebold Premier Services
Craig Youngblood, President & CEO Logical Maintenance Solutions Service
Tom York, V.P. Technical Services Americas IT Services, IBM
Bernd Appleby, President & CEO Terix Computer Service

New Candidates:
G. Wayne Moore, President & CEO Sonora Medical
**Robert Gaddis**, Ops Dir Northrop Grumman Corporation IT—CSLG
Joe Barna, President CDE Services

Thank you to our retiring board members

Special Thank you to those board members who have resigned effective March 31, 2009:

First of all, to **John Walker** of Diebold who has now retired. He served the SIA on the Board as the President for two terms, the Chairman for two terms and a board member at large for his first term. John was awarded a Retirement Clock at the end of his second term as President of the SIA. I know you will join with me in wishing John god speed as he takes on another chapter of his life.

John Rinas of Northrop Grumman who served one partial term as Board member at large before accepting the nomination to be the President. John served three years as the President of SIA before resigning as President as a result of his new assignment within Northrop Grumman. During his time as President, he was instrumental in bringing in many new members, speakers for the summit and sponsors to SIA. John was awarded a Clock at the end of his Presidency.   A special thank you to John for all his hard work on behalf of SIA.

Chuck McNew of Halifax. Chuck became a board member three years ago and has served as the Secretary Treasurer for the association. During his board tenure he was instrumental in bringing in new members and served the association with his leadership and innovative thinking while also providing leadership for the Golf tournaments. Thank you to Chuck for all his work on behalf of the SIA.
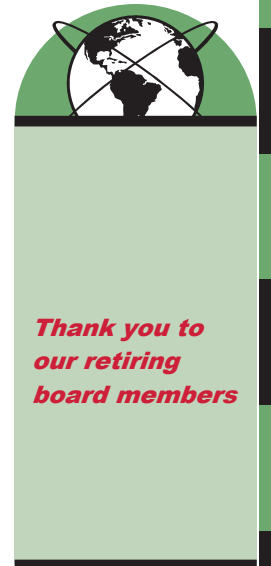
23rd Year of Service Industry Association's

Executive Summit for Service Leaders

March 29, 30, 31, 2009 Mirage Las Vegas

Reinventing your Company For *Smart* Survival
Sunday March 29, 2009

Registration begins at 4:30 P.M.
All exhibits, breaks, breakfast and receptions in St Croix B

Welcome and Networking Reception with Vendor Showcase with promo opportunities and giveaways. Spotlight on Sponsoring Vendors

Monday, March 30, 2009   Day one Strategic Focus
Each Day sessions begin 9:00 A M and complete by 4:00 P M.

Welcome

SIA Exec. Dir., Claudia Betzner, Summit Moderator
Introductions by Participants: Each person stands, provides name, company, title, one sentence what you do, one sentence why you are here.

Chief Economist Keynote– Complete economic overview
Dr. Michael Cox, Chief economist for Federal Reserve

Dr. Cox is a published author with books, white papers and a global view of the future for the U.S. economy and how the economy will affect the Service Industry.

Break

Smart Survival Industry Panel – This panel will include executives from companies that have been through the reinventing process, what they learned, what they would change, Douglas Schmitt, Director Client Services Marketing Dell; David Anderson CEO Expresspoint; Wayne Moore, CEO & President Sonora Medical; HP (invited not confirmed)

Lunch (Panel Discussion by Sponsor)

Keynote Address – Smart Survival - Jerry Bowe, Chief Executive Officer Masterplan will provide motivational discussion and example of how companies can reinvent themselves using smart survival strategies.

Jerry Bowe joined Masterplan in November 2008 as Chief Executive Officer. For the last 20 years Jerry has been leading companies in manufacturing and service related businesses. Immediately prior to joining Masterplan, Jerry was Chairman and CEO of another successful company owned by Masterplan's Private Equity owner, Berkshire Partners. He spent the last 6 years in the UK managing this global product and service enterprise with over 3000 employees scattered over 15 countries.

January discount available for multiples from same company. Contact SIA for more info.

State of the Industry

This session will provide a overview of the industry; who bought who, how the landscape continues to change. Gartner data will be reviewed during this session.

Break

Brainstorming Session: Each Strategic topic broken out into small group – Dr. Jim Alexander

This session will break out in 4 groups with each providing solutions to an industry issue; the general session then reconvenes and the groups share the results.

Summary of Days Events and prize drawings

Networking Cocktail Reception (ask someone to dinner at reception)

Tuesday, March 31, 2009 Day Two Operational Focus

Continental Breakfast

State of the Association – Rich Guglielmo, President

SIA Bottom Line Benchmarks & Best Practices (BBB) Survey Results

Michael Blumberg, CEO & President Blumberg Advisory Group, Inc.; Marc Melkerson, V. P. Business Dev. Renova

Keynote – Operational Focus

What can you do today in this economy to Reduce Costs; Steps to reinvent your company the reality of today's business environment. **Tom York, V.P. Technical Services Americas IT Srvs. IBM**

Break

The changing Workforce – Work force Optimization; succession planning for all positions; how you manage workforce remotely. How do you hold remote workforce accountable.

Lunch

Driving the Bottom Line – This session will discuss how process control improvements can drive the bottom line; Six Sigma; Learn from the Past, Manage for the Present but plan for the future. Joe Barckett, SAI Global (SAI Global is an applied information services company that helps organizations manage risk, achieve compliance and drive business improvement; Randy wanted to be sure I have all his profile, etc.)

Growing your business through Smart Survival Marketing & Business Dev.

Roundtable Discussions & Wrap Up: SIA Board   Examples of How you can take the information from the first day and apply it to your operation: Financial Exit strategies; creative solutions to survive in this economy; personal growth & wealth strategies.
Claudia Betzner, Facilitator
Rich Guglielmo, Bernd Appleby, Peter Brooks
Drawing for door prizes and wrap up around 4:00 P M

Grand Finale – 6:30 P M

Introductory offer to those who have never attended this event. Call for information.

Three Key Levers of Services Profitability

Stay sane while stopping scope creep and unleashing your sales force
By James A. Alexander Ed.D., Alexander Consulting

Here are three straightforward activities that I think are fairly easy to do, yet can have an immediate impact on profitability.

Stop scope creep dead in its tracks.

We all know how easy it is for projects to slide down the slippery slope of more work for the same pay. Here are some steps to put the brakes on lost profitability:

Police deal quality. Make it a mandatory part of the business development process (exempting only the simplest of projects) that all proposals/statements of work (SOWs) pass through quality control in which an appropriately qualified services manager either blesses or curses the proposed deal. Let sales scream, but enacting this will greatly minimize waste, confusion, and lead to the nice side benefit of greater client satisfaction as you define and jointly agree on realistic expectations.

Pay sales on profitability. I'll grant that in certain situations, for example, when trying to capitalize on a first mover marketplace, or when selling highly commoditized offerings, it makes sense to pay sales on gross revenue. However, for 90 percent of the services businesses not paying on profitability makes no sense (dollars either). It is just bad business.

Immediately upon requiring base profit margins (either by deal, client, or overall), salespeople undergo a remarkable transformation. Sellers who once gave away services and support at the first blush of pushback, now pull out their calculators before every deal. Many will even engage the customer in conversations about the value of services. Also, if your organization routinely uses technical folks in pre-sales, base a part of their targets on profitability as well. Try it, and you will like it.

Budget saves to keep your sanity.

About 85 percent of services organizations within product companies are responsible for a profit and loss statement, and thus are rewarded (or not rewarded) for meeting growth and profit objectives. However, leaders of services organizations face a unique challenge: Important aspects that impact their performance are beyond their control.

For example, I'm willing to bet a week's consulting that this is true of you, at least occasionally (and sometimes much more often): You are asked "for the good of the company" to load up the bus with your best players, send them to a key client with a big problem (for which your company was probably at least somewhat responsible) and not bring them back until the customer is happy. Oh, yes, this is all non-billable. These types of projects can wreak total havoc on your performance metrics.

Screaming and pleading don't work—you will have to do this kind of thing no matter what. Here are a couple of ideas to lessen the pain and keep you sane:

Plead your case. My research of services organizations within technology companies shows that the average gross profit margin is 35 percent. Yes, this varies by industry and by vertical market, but it is a decent benchmark. Build your initial thinking around the ideal, but scale back based on experience, and sandbag if you have to.

Negotiate with sales. During budget planning, sit down with sales and try to talk about ways to make everyone a winner. Demonstrate your loyalty to the product, to sales and to the company, but make your case around the need to have realistic numbers. Get sales to commit to a number of days devoted to "saves" (and whatever else you routinely get sucked into).

Jim is presenting a "Selling Services" Workshop. Go to his website for all the information.

Once you agree on that number, you now have a new owner. The VP of sales will manage that commitment and make sure it is not abused. Also, you now can present two profit numbers—one with saves and one without. Following this approach will confirm your allegiance while justifying numbers a little lower than execs would have hoped.

Unleash your hidden sales force.

My research shows that over half of services executives expect their technical talent to be very aggressive in getting new business. When you think about it, this makes perfect sense. Often, these people already have demonstrated their worth and developed trust with people who can make or influence future buying decisions. In addition, technical people don't solicit the wariness of potential buyers that often arises when "sellers" are in the building.

There is no better way to increase sales faster and more profitably. Here are a couple of suggestions:
Train 'em. Let your technical people know that selling is not evil; it is part of their role as professionals to help their customers. Then provide them with company-specific training on the knowledge and key skills necessary to be successful. Most of your people will "get it" and want to be more involved in business development.
**Reward 'em.** Everybody responds to recognition, and compared to your sales team, they don't get much at all. Make heroes out of those who help sell, and let them know you appreciate them. You will be amazed at the results.

SIA will present a "Growing the Business" session at the 2009 summit.

Put one of these three steps into practice, and you'll see measurable results soon. Put them all into play, and you'll be a rock star in your company and a player in your industry. Go for it!

Jim Alexander is founder of Alexander Consulting, a management consultancy that creates and implements professional services strategies for product companies. Contact him at 239-283-7400, alex@alexanderstrategists.com, or visit www.alexanderstrategists.com.

Interested in improving the selling skills of your best technical talent? Attend Alexander's March workshop in Orlando: http://www.alexanderstrategists.com/sellingskills.html

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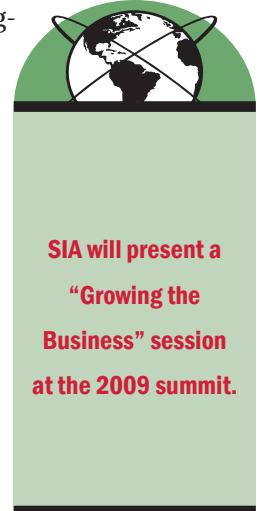
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Service Industry Association is a non-profit organization made up of high technology service companies promoting customer choices.

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