Please note, the following report was published prior to our rebranding and therefore any mention of TekServ is implied to be the new Level 10.

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The Force Field

2012 National Contractor and Service Platform Survey Report

www.theforcefield.net *The Business of Tech*

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Introduction

IT service technicians have long relied on national IT service companies for contract related work. While not all techs perform work for nationals, many have, either as fill work during slow periods or as full time contractors. As with all customers, there good nationals and bad ones. The best nationals provide ready work at fair rates, treat their techs like professionals, pay quickly and pay on time. The worst nationals offer less than acceptable rates, treat the techs poorly, are slow to pay or don't pay at all.

Then came the IT Service Platform, a phenomenon of the 21st century that began with the advent of a web-based business model originally known as an IT “marketplace”. Internet based companies as OnForce, ServiceLive and a plethora of clones suddenly appeared across cyberspace, promising cheap labor to clients, less administrative overhead and guaranteed payment to the techs, and a completely transparent, level platform for all.

Ten years later, the IT landscape has changed but the situation hasn't, and now it's more complicated.

The best nationals still pay well and on time and the worst nationals still don't, only now a lot of them use the platforms to do or not do it. In the past, these companies paid higher rates to techs that were often somewhat comparable or generally in line with rates techs charged their own clients. Today, the goal of many is to simply pay the lowest rate a tech is willing to work for, find any tech willing to accept it at that rate and hope that tech is competent enough to actually show up on site and complete the job.

In the past, techs had administrative overhead from working directly with nationals. This overhead, which may include phone calls off and on site, filling out and faxing paperwork, e-mails, part acquisitions, and, unfortunately, sometimes collections, are all part of the cost of accepting a service call on contract and must be considered before accepting the work. This administrative overhead was generally expected when working directly with a national. Today the techs have that and additional overhead from the platforms as well.

Before the platforms, a national service company was often the middleman for the actual client. For instance, a company would contact a national to dispatch a technician to a service event for its client, the end user. The service platform created an easy way for practically anyone become a “middleman”, a subcontractor for the contractor, if you will. A tech could accept a work order from a national, create another work order for the same job and route it to another tech, who would in turn create another one and re-route it to still another tech, creating multiple layers of middlemen routing the same event at progressively lower rates and all taking a cut of the original rate for themselves. In effect, the platforms didn't eliminate the middleman, it created more of them and more layers of them.

To complicate matters further, most techs who signed up to work the web-based service platforms were not properly vetted, especially in the early days. This is because many of those who did the vetting were themselves not trained or qualified in IT to qualify the tech. This lack of proper testing and quality control by the platforms allowed almost anyone to sign up and call themselves an IT technician. As a result, the platforms inadvertently created what is now called the “pizza tech”, a class of “technician” who technically isn't trained or qualified to be one and who will willingly accept work from nationals who route work through the platforms at the lowest possible price.

This combination of factors, along with a few others, have further muddled and strained the already tenuous relationship between national service companies and professional service technicians to the point that some techs no longer perform work from nationals or platforms and, in kind, many of those companies have a more cynical attitude toward techs.

In the late summer of 2012, The Force Field conducted a survey of IT service providers and asked them to rate the national contractors and service platforms. The survey was intended to “take the pulse” of the national-platform-provider relationship and assess the state of the IT service industry.

The key data from this survey is presented in this report with an explanation of each section and category, easy to assimilate charts and graphs, and a brief analysis of results based on a combination of the statistical data received and additional comments provided by the survey respondents in each submission.

How the Survey Was Conducted

The survey began July 29, 2012 and officially ended September 18, 2012, although it was not available continuously during that period. It was initially available to registered members of The Force Field and expanded to all techs.

The survey was divided into four sections. The first section collected demographic data on the survey respondents. Data was collected on the type of business the tech operated, whether or not the tech surveyed was the owner, staff size, the location of business and the percentage of revenue received from nationals and platforms. These statistics provided a more complete of the service technicians and their expectations of those nationals and service platforms with whom they do business, which may ultimately influence how a majority of the techs rated these companies in the survey. The demographics also helped qualify each survey respondent as valid.

The second section asked survey respondents to rank national contractors and service platforms with which they work or have worked with in the past. This section was divided into two parts. The first part rated the national contractors. The second part rated the web-based service platforms. Service providers were asked to rank eighteen national contractors and nine Internet based service platforms in order from best to worst. The results were then tabulated based on a ratio of their performance.

The third section had three items. The first asked respondents to write in up to three national contractors and three service platforms they considered best but were not on listed in the survey The second item asked for up to three companies the respondent considered the worst. The final item asked for additional comments from the respondent.

The final section consisted of only one item. Respondents were requested to enter a valid e-mail address that could be checked. The purpose of this was three-fold. First, it verified that the respondent was a real person and not a spam bot. Second, it qualified the data by confirming the identity of the respondent as an actual service tech and not a representative of a company that was ranked. Finally, it assisted in ensuring the accuracy of the data for rankings by discounting duplicate entries.

Surveys were checked for possible padding by participants. Some were rejected as incomplete. Duplicate surveys were discarded and not counted. Only completed surveys that could be validated were accepted.

Over 450 survey entries were received. Of those, 245 qualified for the report.

Definition of Terms Used in This Report

The following terms are used in this report.

National Contractor (or National): An IT service company that operates nationally and, in some cases, may also operate internationally. A national hires technicians for contract work for its clients per work order or per job event. The tech is paid after the job is completed according to terms of the contract. (Actual payment schedule may vary).

Service Platform: an Internet based company that connects clients (typically nationals) with service providers (techs). Clients route work orders through the platforms at their requested rates and providers either accept, reject or submit counter offers (depending on the platform). Once the work order is completed, the provider is paid by the client through the platform, minus one or more fees (depending on the platform).

IT Service Provider: A technician who provides IT services to clients and end users, often as an independent contractor (IC).

NCSP: An acronym for National Contractors and Service Platforms. Created for use in this report, NCSP is intended as an all-inclusive term for both types of companies. It is not commonly used within the IT service industry.

Part I: Service Technician Demographic

Techs who perform contract work for national IT service companies and internet based platforms typically fall into specific groups. The technicians surveyed for this report represent a percentage of each demographic determined solely by the contributions of the respondents.

Why These Statistics Matter

Categorizing the business type is important to the general understanding the other demographic data presented in this report, as well as provide some insight into how the national service companies and the techs perceive one another.

It is easy to find out which companies rated well and which rated poorly in the survey. However, to find out why, it is important to understand the techs who rated them and what motivated the respondents to rank the companies in that particular order.

For instance, it could be assumed that a particular national or service platform may rank exceedingly high or low based primarily on the popularity (or unpopularity) of the average rates for jobs offered to the tech through that company. A company that ranks low on the list may assume it is because the techs are simply responding because they like (or don't like) the rates the company pays. But is this true? Is it just about the money? Not necessarily. But a company won't know for sure simply by looking at their rank in the survey.

In contrast, many technicians make natural assumptions about their peers and the companies with which they perform contractual work. But is there real truth to these assumptions, or are they all based on emotion, discrimination or gossip? Understanding who the competition really is and where they stand demographically can help techs separate the fact from fiction and gain some insight into what drives some nationals and service platforms to operate the way they do.

In short, the type of business, status of ownership, staff size, business location and revenue combine to paint a picture of these service technicians and their expectations of those nationals and service platforms with whom they do business, which may ultimately influence how a majority of the techs rate these companies.

Business Type

IT service technicians generally operate under one of seven common business types. An eighth, the LLP, is not as common and no technicians surveyed operate under this type. All known business categories are defined as:

Individual – The tech operates without a local or state business or "dba" license. This includes individuals who may perform freelance or piece work from home part-time as a sideline or a hobby, although in some cases they may do this full-time. They may be retired or semi-retired, young adults attending college, or in some cases, even in high school. It is possible some may not file federal or state income tax on these earnings and in some cases may not even be a legal resident, although these last two cannot be officially corroborated in this report and are based purely on conjecture by some licensed techs.

Sole Proprietor – The tech is officially licensed in his state or local area to conduct business as an individual or Sole Proprietor.

Partnership – The tech is licensed or registered as a business collectively with one or more partners.

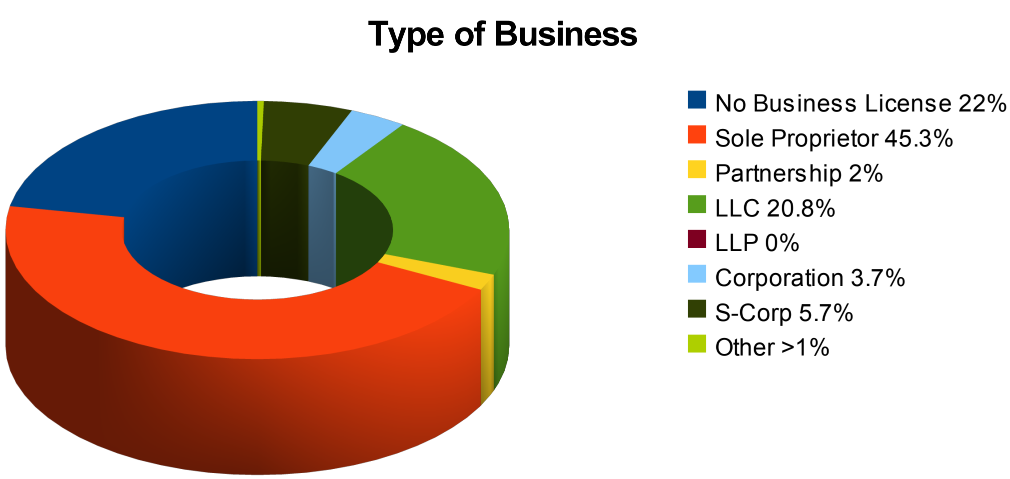
Limited Liability Company (LLC) – The tech operates a licensed business as an LLC.

Limited Liability Partnership (LLP) – The tech is registered as a licensed business collectively with one or more partners in a type of business similar to an LLC.

Corporation – The tech operates a licensed business set up as a legal C type corporation.

S Corporation – The tech operates a licensed business set up as a sub chapter S corporation.

Other – The tech operates as a non-profit or other type of business, such as one based in another country.

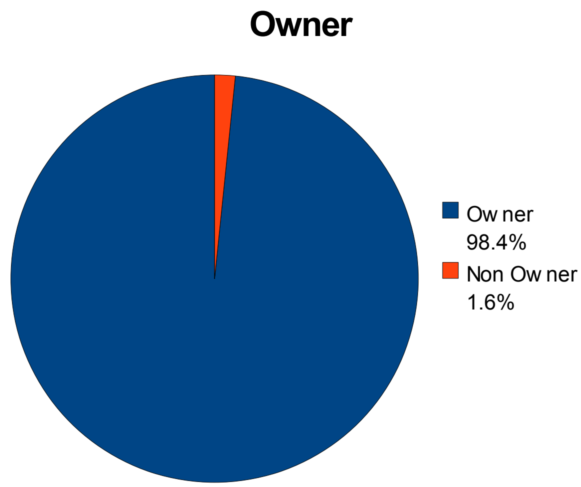


Of all qualified respondents, over one-fifth reported that they are operating as individuals without a local or state business license. While this is a significant number, it isn't quite as large as some would expect, especially considering the current US domestic unemployment rate.

As may be expected, nearly one-half of all technicians surveyed are Sole Proprietors. Limited Liability Companies are the second most common type of licensed IT business among respondents, with partnerships, corporations and sub chapter S corporations totaling just over 10% combined. Less than 1% of all technicians surveyed claimed to operate other business types. No LLPs were registered in this survey.

Business Ownership

Survey respondents were identified as one of two types, Owners and Non-Owners, such as company executives or employees.



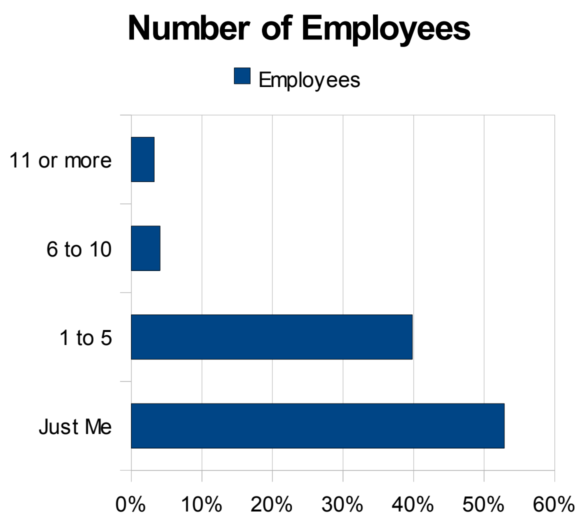
Ownership verifies both the authority and motivation for ranking national service companies and platforms. The majority of respondents were the owners of their respective business operations.

Service provider technicians who were not the owners of the companies accepting work from national contractors or service platforms were allowed to participate in the survey because these are the individuals who are actually sent to the site and who interact directly or indirectly with these companies and their clients in the field. While the service provider who dispatches another technician to the site may rate an NCSP based primarily on the overall rates, ease of financial remittance for work performed and their general relationship with that company, the individual technician dispatched may rate an NCSP based on their interaction with that company during the actual on site experience.

Staffing

An IT service provider may have one or more technicians on staff. A national contractor or service platform may have different experiences with the same service provider who dispatches different employees on site or in the field. Such experiences may impact the outcome of the service call or the relationship between the contractor and provider in a positive or negative way and subsequently affect how the provider ranks that company in the survey.

A technician with a business licensed as a Sole Provider only means that tech is the sole *owner* of the business, not the sole individual who works in it. Just like most other types of businesses, a business licensed as a Sole Proprietor can be fully staffed. The difference is that it has only one owner who is liable for the entire business operation.



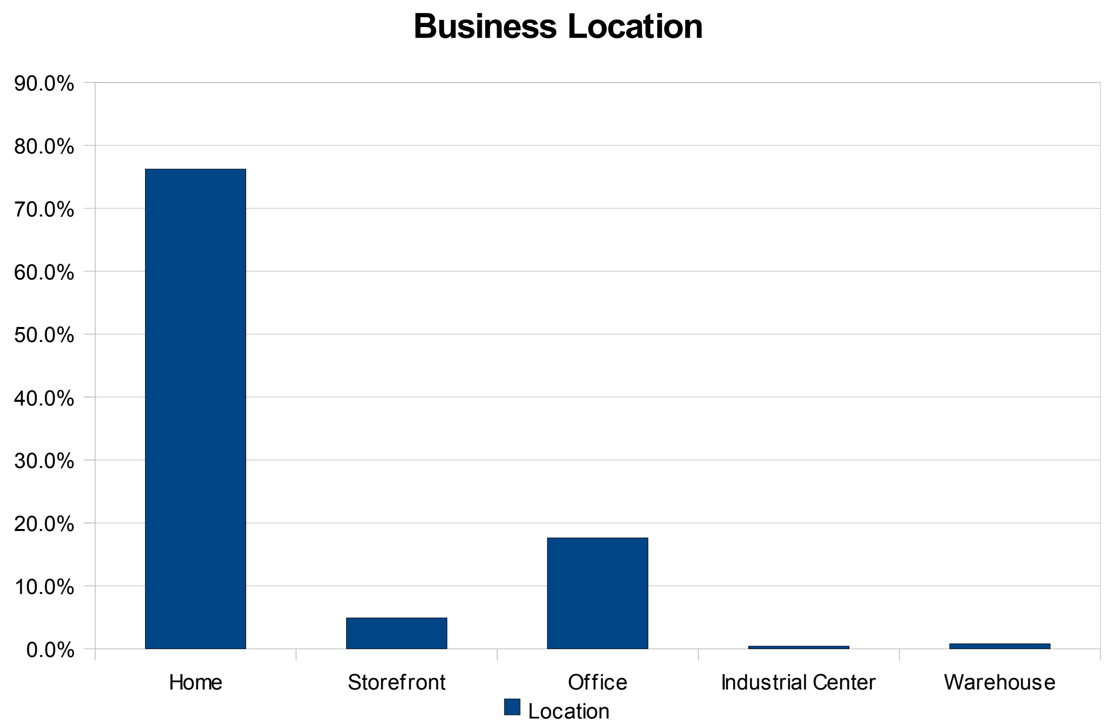
According to the survey, 53% of all respondents claim themselves as the sole operator and technician of their IT service business, 40% have between one and five employees, 4% have between six and ten employees and 3% claim to have eleven employees or more.

On the surface, this statistic seems to indicate that a substantial number of tech businesses who accept work from NCSPs (over half) are the sole operators of their businesses. However, taking into account that over 45% are categorized as Sole Providers and another 22% are individuals operating as freelancers without a business license, the actual number of individual operators may be significantly higher, an indication that at least some respondents who chose *1-5 employees* may actually be listing themselves as the one and only "employee" of the business.

Business Location

Another important consideration that can impact the NCSP rankings is the actual location of the technician's business operation. The reason is COB (Cost of Business). The lower the COB, the easier it is to accommodate the rates and terms of contract work offered by many NCSPs, especially if the rates are considerably lower than the industry average wholesale rate.

IT service providers may operate from home, an office, a storefront, an industrial facility or a warehouse environment.

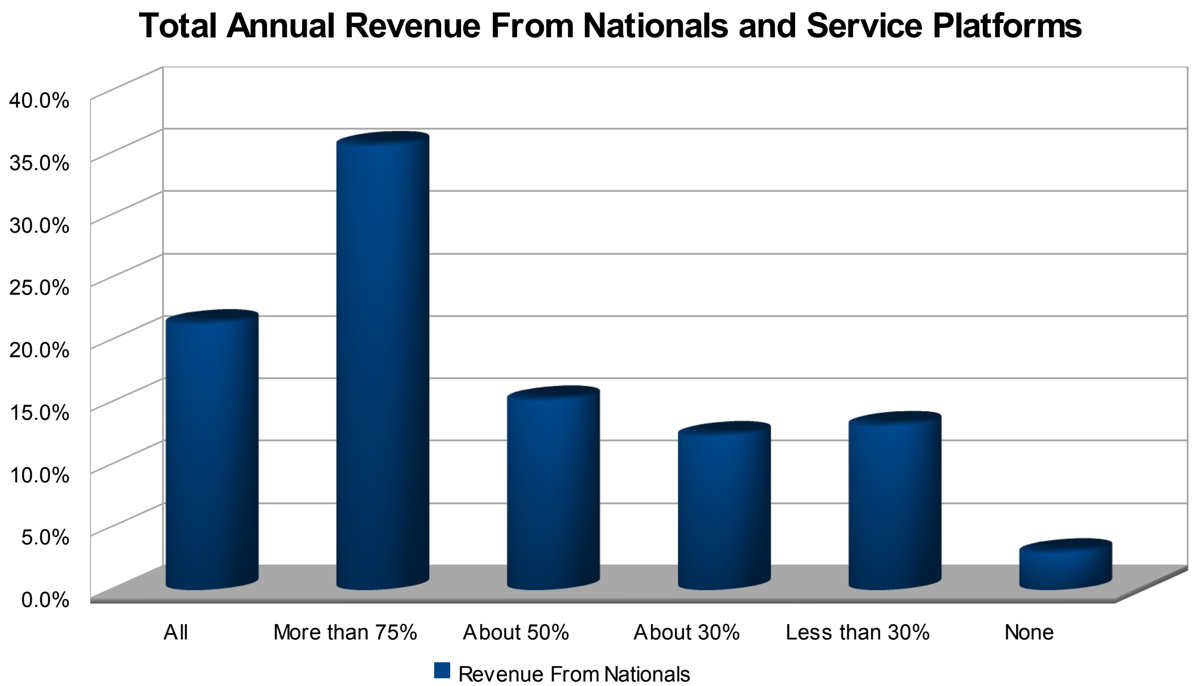


Based on all qualified responses, 76.2% of technicians surveyed work from home. Of the remainder, 4.9% work from a “brick and mortar” or retail storefront, 17.6% work from an office, 0.4% operate in an industrial center, and 0.8% are based in a warehouse.

This statistic further supports the notion that the actual number of technicians who work alone is considerably higher than indicated in the previous staffing chart. It also may explain why some technicians accept some work from NCSPs at low rates while others do not.

Total Annual Revenue

While many IT service providers seek to build their own customer base, some rely on contract work with NCSPs for at least a portion of their annual revenue stream. The amount earned and successfully collected from an NCSP may influence how that particular company is viewed and ranked by the tech.



Of all qualified survey respondents, 35.5% currently earn more than 75% of their annual revenue from contract work for NCSPs, 15.1% claim about half, 12.2% earn about 30%, and 13.1% receive under 30% of their revenue from these companies. One fifth or 21.2% of all techs surveyed earn all of their annual income from NCSPs, while 2.9% do not currently perform any work NCSPs at all, although they may have performed such work in the past.

Part II
The Best and Worst National Contractors and Service Platforms

The Force Field surveyed IT service providers and asked them to rank eighteen national contractors and nine Internet based service platforms in order from best to worst. The results were then tabulated based on a ratio of their performance.

Survey participants were instructed to consider all factors such as type of work orders, rates, rate negotiation, clarity of work orders, scope of work, contract requirements, scope creep, attitude of employees or agents of the company, communications, hold times on site, check-in/checkout, paperwork, closing, dispute resolution, payment issues and any others that may affect their rating.

Since few survey respondents have working experience with all companies listed, they were asked to rate only those with whom they had experience and leave the rest unrated. This was not a poll based on the total number of responses received for one company over another, but based on a ratio of excellent to poor responses received for each total. Although some NCSPs are more widely known and utilized than others, the use of ratio allows them to compete for rankings at the same level as illustrated below:

Company	Votes (Best)	Votes (Worst)	Ratio	Rank
Company A	800	400	2:1	1
Company B	100	50	2:1	1

This method of calculation allows a company that is small and largely unknown but has an excellent reputation among techs to be rated fairly with a large company that may perform just as well.

If a company received no votes in either the best or worst category, it would not rank. Since all companies listed in the survey were known among at least some service provider technicians surveyed, all companies on each list received votes in either one or both categories.

There are hundreds of national contractors in the industry and possibly other web-based service platforms as well, but many are not well known and thus were not listed on the survey. To ensure those companies were also considered in the rankings, survey respondents were asked to write in any company not included in the survey but considered worthy for ranking in one or both categories.

In addition to the rankings, survey respondents were asked to for additional comment on NCSPs. These comments were used to help determine intent of the ratings and provide further insight into why some were ranked above or below others in their category and class.

The Ten Best National Contractors of 2012

Rank	National
1	TekServ
2	Trextel
3	ServRight
4	Pomeroy
5	Granite
6	Vital Network Services
7	PC SOS TechForce
8	Halifax/Essintial
9	Nexicore
10	Rollouts.com

The survey ranked the ten best national contractors in the IT industry. This list includes two write-in entries with enough positive ratings to rank above some of the companies officially on the list of nationals to rate. A majority of nationals rated received enough ratings in both categories to place them in neutral territory. These companies received the same number of positive and negative ratings. The companies listed above received a significant number of positive ratings, placing them securely in their relative positions on the list.

TekServ topped the list of best national contractors. It easily won the top spot as best national with almost all positive ratings. While most of the other nationals received at least a few negative ratings, TekServe received only one, placing it in first position as the Best National Contractor in the entire industry.

Taking the number 2 position is Trextel. This company rated very well among respondents by a wide margin.

ServRight was rated third best national contractor. The company ranked well among survey respondents by a significant margin. Pomeroy was rated fourth and also ranked highly among techs familiar with the company.

Granite was ranked fifth on the list of best national contractors. This company rated very well among respondents and was one of two write-in ratings for best national.

Vital Network Services was ranked the sixth best national in the industry and rated well among survey respondents.

Two platforms tied for seventh place on the list. PC SOS and TechForce were equally popular among technicians, both beating out Essintial for that position. TechForce was one of two write-in ratings for best national.

Essintial, previously known as Halifax, ranked number eight on the list of best nationals. Although there were several negative comments about Essintial, it did receive more positive than negative ratings overall and was ranked fairly well among technicians surveyed.

Rollouts.com rounded off the list as the tenth best national contractor.

The Three Best Web Based Service Platforms of 2012

Rank	Platform
1	Work Market
2	Field Nation
3	OnForce

The survey originally intended to rank the five best service platforms. Unfortunately only three actually qualified with enough positive ratings to rank in this category at all. This was not due to a lack of ratings overall; on the contrary, nearly all respondents were familiar with one or more of these platforms. Most were specific about which platforms they preferred to work with.

Work Market and Field Nation easily took the top two spots respectively. Work Market was ranked the number one platform by a surprisingly wide margin. A large number of survey respondents rated Work Market at or near the top when ranking the platforms overall. This was somewhat unexpected, given the fact that the company is still relatively new to the marketplace. Field Nation also fared very well among survey respondents, receiving a significant number of ratings in their favor.

Interestingly, OnForce came in a distant third, landing the last position on the list by a only slim margin. Perhaps the oldest and most widely recognized platform in the industry, OnForce is also the most polarizing among service providers. Most techs responding to the survey either love it or loathe it and some of the comments submitted by survey respondents indicate a preference for one or the other with passionate conviction.

A number of respondents commented that their primary reason for rating OnForce lower than the others was as a direct result of the company's insurance fees. OnForce charges service technicians 10% for each work order accepted and an additional 4.7% to cover insurance and Workman's Comp. The additional fees have been a source of bitter contention among some former and current providers, known to OnForce as “Pros”, and this one issue alone has put some of them at odds with the company and its policies, thus potentially affecting its overall rank in the survey.

The Seven Worst National Contractors of 2012

Rank	National
1	Techs in a Sec
2	Contingent Networks
3	iYogi
4	Barrister Global Services
5	Nationwide ACS
6	Endeavor Telecom
7	Geek Choice

The survey originally intended to rank the five worst nationals, however two additional rankings were added to accommodate two write-in entries with enough negative ratings to rank above some of the companies officially on the list of nationals to rate. A majority of nationals rated received enough ratings in both categories to place them in neutral territory. These companies received the same number of positive and negative ratings. The seven companies listed above received a significant number of negative ratings, placing them securely in their relative positions on the list.

Topping the chart is Techs in a Sec, a national based in New York. It easily won the top spot as worst national with all negative ratings. While most of the other nationals received at least a one positive rating, Techs in a Sec received none at all, placing it in first position as the Worst National Contractor in the entire industry.

Taking the number 2 position is Contingent Networks. This company rated very poorly among respondents and was one of two write-in ratings for worst national.

iYogi was rated third worst national. This company rated very poorly among respondents and was one of two write-in ratings for worst national. Comments indicate a few techs surveyed consider the company less than reputable.

Barrister Global Services is rated fourth worst national in the entire industry. Barrister has a long history of alienating techs and has a very poor reputation among service providers who responded to the survey. The most common complaint given by respondents was extremely slow payment or complete non-payment for services rendered.

Nationwide ACS was rated fifth worst national contractor. This company rated poorly among respondents by a very wide margin.

Endeavor Telecom was rated sixth worst national contractor. Endeavor rated poorly among survey participants. Three out of every four respondents who rated Endeavor gave it poor marks. The primary reason given for the low ratings was Endeavor's exceedingly long hold times on the phone when reporting to the company while on site, which adversely affected the tech's ability to complete the work and report to their next assignment in a timely manner. Other reasons included low pay and generally poor treatment of techs.

Geek Choice was rated seventh worst national contractor in the IT industry. This company rated poorly among survey respondents by a fair margin.

The Five Worst Web Based Service Platforms of 2012

Rank	Platform
1	Install It Today
2	Tech Army/Computer Service Now
3	Field Solutions
4	ServiceLive Gurus2Go
5	Computer Assistant

Locating five low rated web based service platforms was not a problem. There were plenty of negative ratings for most of them. The only real challenge was to determine which platforms ranked worse than others.

The exception was Install It Today. It easily won the top spot as worst platform with all negative ratings. While most of the other platforms received at least a few positive ratings, Install It Today received none at all, placing it in first position as the worst web-based service platform in the entire industry.

Tech Army ranked number two among survey respondents. Also known as Computer Service Now, this company had a high negative rating among techs who used the platform.

Two platforms tied for fourth place on the list. ServiceLive and Gurus2Go were equally unpopular among technicians, both beating Computer Assistant for poor ratings by a very wide margin.

Summary

The survey revealed some interesting facts and figures about IT service technicians, NCSPs and the IT industry in general.

- Service technicians who perform contract work typically operate under one of seven common business types. These providers are 45% likely to operate a licensed business as a Sole Proprietor.
- The service provider dispatched to an on site service event is more than 50% likely to be the actual tech contracted to perform the work and not an employee.
- Although most IT service providers may operate from home, some may run their business from an office, a storefront, an industrial facility or a warehouse environment.
- More than half of all techs surveyed earn most or all of their annual revenue from work through national contractors and service platforms.
- TekServe was ranked the Best National Contractor for 2012.
- Work Market was ranked the Best Online Platform for 2012.
- Techs in a Sec was ranked the Worst National Contractor for 2012.
- Install It Today was ranked the Worst Online Service Platform for 2012.
- The most common complaints from techs about nationals were slow or no payment, difficulty in collections, and general condescension toward the techs.
- The most common complaints from techs about service platforms were lowball rates, high fees, unqualified techs, multiple layers of middlemen and a general lack of respect for the provider technician.

NCSPs are only one part of the IT marketplace, but an important one. They serve as a significant source of revenue and income for many providers. As with any industry, some of these companies are good, some are bad and a few are downright ugly. In contrast, from the point of view of the NCSPs, the same can be said for service providers.

For the NCSP, a true understanding who the providers are, what they do and how they operate can provide insight into creating a better working relationship with them.

For the service provider, the IT contracting business can be a profitable one if you know and understand the business from both sides. However it is not a walk in the park and can be a very difficult and frustrating experience to those who are not familiar with it. National and platform work usually won't make you rich, but knowing the business can mean the difference between being profitable and being eaten alive.

Contract work can be easy and profitable for both sides, if you know who you're dealing with. If you don't, it's a messy, complicated business.

About The Force Field

The Force Field is a portal and podcast for computer repair business owners, field service technicians, solution providers, VARs, independent contractors, resellers and other IT service professionals who own or want to start their own tech business.

The Force Field web portal offers a Business Resources Directory, news, reviews of products, services and companies, blogs and The Force Field Forums. The Business Resource Directory offers FREE listings for companies who want to partner with providers and allows the providers to comment on them, recommend them and rate them. The blogs feature articles and rants about issues of the day as well as reviews and editorials on tech products, services and companies. Many techs use The Force Field Forums to network with each other and exchange ideas and recommendations from other professionals in their field.

The Force Field podcast is a half hour show produced by Savoia Media and hosted by Rick Savoia, a former IT Service Professional who is also a veteran in the broadcast industry. The show can be heard on-demand from iTunes, Blubrry, the Roku, Stitcher Radio and of course, the web portal. The Force Field is also a proud member of The TechPodcast Network.
In 2007 The Force Field expanded to cover all IT Professionals and now includes the news, views, reviews and interviews for and about the IT industry as well as The Force Field community.

The Force Field Forums is a place for Service Providers to gather together and network with their peers and vendors. It is also a place to discuss issues related to their profession. It is both a gathering place and a support group.

The Force Field name is intended to have a a triple meaning. Originally a reference to OnForce , a national platform for IT service professionals for which the first episodes of the podcast were produced, it also actually refers to the labor force of the IT services field, hence the name The Force Field. It also refers to a symbolic “force field” of information and knowledge that can be used to help a tech successfully launch a tech business and protect it from negative forces in the industry.

Additional Resources

The Force Field Portal
A portal to resources for IT service business professionals, featuring news, blogs, directories, white papers, periodicals and forums, all of which is free. Some features require site registration.
www.theforcefield.net

The Force Field Forums
A community for IT service technicians and businesses to gather together and network with their peers and vendors. It is also a place to discuss issues related to their profession. It is both a gathering place and a support group.
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The Force Field Podcast
a half hour show for IT service providers produced by Savoia Media and hosted by Rick Savoia. The show features news, views, reviews and interviews for and about the IT industry and and The Force Field community. The show can be heard on-demand from iTunes, Blubrry, the Roku, Stitcher Radio and of course, the web portal. The Force Field is also a proud member of The TechPodcast Network.
www.theforcefield.net/podcast

National Service Contractor Directory
A directory listing over one hundred national service contractors and web-based service platforms with ratings and reviews from members of The Force Field.
www.theforcefield.net

Partnering With National Contractors
This article explains how to work with national contractors and service platforms and offers tips and advice to avoid getting ripped off.
www.theforcefield.net

Free Trade Publications
Browse through our extensive list of free Information Technology magazines, white papers, downloads and podcasts. Topics include technology, IT management, business technology and e-business. All are free for qualified professionals.
http://theforcefield.tradepub.com

Business Resource Directory
A directory of business, technical, marketing, vendor and other resources for techs who own or want to start their own IT business. Some directory listings are available to the public while others are accessible to members only, however membership is free.
www.theforcefield.net

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