HOUSTON
BUSINESS JOURNAL

Friday, August 6, 2010

IQ Tech Pros puts people ahead of processors

Harnessing the human element

Houston Business Journal - by Giselle Greenwood Special to Houston Business Journal

In February, Bob Davis came upon an intriguing opportunity. **IQ Tech Pros**, a Houston-based information technology integration firm, offered him a consulting gig that paid him biweekly, had reasonably priced health care and more important, gave him steady work.

Davis hadn't seen that kind of offer before during his professional career as an IT consultant.

"Having all these attributes in one company is unusual," Davis says. "Usually you have companies that pay well but you can't get health insurance, for example, or you only get paid 12 times a year. Having all these attributes in one company is unique."

The information technology consulting space is known for its notoriously unstable ebb and flow of work. Many IT consultants also complain of getting paid sporadically since it all depends on the client's billing period.

Kashif Aftab, CEO of IQ Tech Pros, says that treating consultants — or "members" as the firm refers to them — as full-time employees instead of as temporary commodities, works out much better for the client. He likes to think of it as a consultant co-op.

Craig Hartley/HBJ

Kashif Aftab of IQ Tech Pros: Providing full-time benefits to consultants keeps a number of highly qualified IT professionals available to clients.

View Larger

"Most firms take these consultants for six months and let them go," Aftab says. "That's not a fair model. We concentrate on the people."

Concentrating on people, and consultants in particular, has proven to be a formidable model for IQ Tech Pros. The six-year-old company's revenue has gone from $7.5 million in 2008 to $9 million in 2009.

Rewriting the model

IQ Tech Pros works as a matchmaker to IT resellers. The company helps them find consultants that can beef up their services. That, in turn, helps the resellers compete for larger, more complex IT projects.

While that aspect of the business isn't unusual, what has made the company so successful is its consultant payment and benefits model. Through IQ Tech Pros, consultants are paid on a biweekly basis, have access to affordable health insurance and their pick of projects to choose from. Overseas consultants can get help in obtaining a work visa, if needed.

Candidates go through a rigorous selection process, but once chosen, the consultants can select any project on IQ Tech Pros' books. Consultants also get paid up to 80 percent of their project bill rates, whereas traditional IT consultancy shops only pay 40 percent to 60 percent of a consultant's billable time.

"The big deal for me is that you get paid a higher percentage of your billing rate than with other firms," Davis says. "Plus, you don't have to worry about getting paid, and you get health benefits. That's big in this economy."

Providing these types of perks gives the company an advantage, Aftab says.

"We feel this is a new model," Aftab says. "We're not one of those old consulting models."

The company focuses on four major areas — infrastructure, custom application management, information management and packaged applications. IQ Tech Pros has completed projects for companies such as **Accenture**, **M-Logic Inc.** and **IntelliQuest Systems Inc.**

Aftab says IQ Tech Pros has stood out in the marketplace due to its efficient business model, based on a network that allows everyone — both reseller clients and consultants — to gain more business.

Davis says it's a model other consultancy firms should pay attention to.

"It's attractive to the consultants as well as to the businesses," Davis says. "This model attracts the top consultants. And it's attractive to the clients because they get high-quality consultants."

By keeping a bunch of happy consultants constantly on hand, IQ Tech Pros' clients have a continuous roster of consultants that they can tap into. Aftab says projects then get turned around faster and the consultants get paid consistently.

"We help our vendors extend their capabilities so their resellers can integrate their products faster," Aftab says. "And the consultants are able to find projects quicker. Everyone's lives become a little bit easier."

The company has grown to include more than 15,000 consultants worldwide with diverse backgrounds. Aftab says the typical IQ Tech Pros consultant has at least five years of experience working on enterprise-level projects.

Most consultants don't have time to market themselves, especially once they're engulfed by a project. Aftab says IQ Tech Pros frees them from having to worry about searching for the next project.

"He can either spend time doing the project or marketing himself," Aftab says. "We give him more access to projects so he's always tapped into our network."

Rising from the Recession

When Aftab launched IQ Tech Pros in 2004, the country was coming out of a recession. With more than 12 years of experience in starting and operating companies in the IT services and health care space, the timing was nothing new for Aftab. After all, he learned some lessons in the recession of 2001.

"I learned you had to have a unique niche to survive in this economy," Aftab says. "It went back to the basics and understanding the problems and coming up with the solutions."

Given his entrepreneurial background, Aftab says one perennial challenge for many startups is the search for capital.

"It's always short and you're always looking for more," Aftab says. "In this global economy, you're competing with the big boys out there, and it's always tough."

Formerly known as Saga Consulting, the company initially focused on traditional IT services. Somewhere along the line, Aftab recognized the idea of focusing on a network of experts. And once the company's focus shifted, he felt the name better reflected what the company did.

Building out a network with thousands of consultants doesn't come easy, though. Few had heard of IQ Tech Pros in the early days, so promoting the company's name and reputation was a hurdle to overcome. But it was only a matter of time before the power of word-of-mouth came into play.

"Interestingly, people came looking for us," Aftab says.

And he expects more will come looking. IQ Tech Pros plans to increase its base of consultants as well as clients.

Competing against the big boys is something Aftab knows all too well. In its space, IQ Tech Pros competes against a host of IT consulting and integration firms, ranging from industry stalwarts such as **IBM** all the way down to private IT consulting search firms.

Aftab says entrepreneurs shouldn't be scared off by the competition. Instead, he advises entrepreneurs to reach out and network with their peers.

"You're not living in a vacuum. There are other entrepreneurs out there," Aftab says. "So networking and reaching out to other entrepreneurs is very important."

Of course, having a strong business model doesn't hurt either.

Aftab says the key is to find a concept that's unique and scalable. And beyond that, find a model…

that can grow organically.

"I've come to the belief now that it's better to grow a company organically first, so that you have some leverage when you go out there to the capital markets," Aftab says.

For Aftab, it took six to eight months to figure it out. Aftab says the model didn't happen overnight, crediting his success to believing in his strategies and missions. And, of course, being patient.

"Patience wins you business," he says.

IQ Tech Pros

BUSINESS: IT integration services
TOP EXECUTIVE: Kashif Aftab, CEO
FOUNDED: 2004
EMPLOYEES: 80 employees; 15,000 member consultants
2008 REVENUE: $7.5 million
2009 REVENUE: $9 million
WEB SITE: www.iqtechpros.com

GISELLE GREENWOOD is a Houston-area freelance writer.