

January  
2008

# THE NAVIGATOR

## HAPPY NEW YEAR!!

And what a year it has been!

The Computer Merchant has had another monumental year and extends a heartfelt thank you to all of our valuable employees, clients and consultants who made this possible.

TCM's Achievements for 2007:

- Ranked in the top 33 IT Staffing Firms out of 1600 nationwide
- Generated \$179 million in revenue
- Placed 8,363 contractors to work throughout the country
- 422 full time placements
- Voted one of the region's "Fastest Growing Private Companies" by Boston Business Journal.
- Voted by Inc. Magazine as one of the fastest-growing private companies in the country.

Projections and forecasts of the IT Staffing Industry are positive and strong, not only for the short term, but the long term as well.

Our focus this quarter, appropriately enough is "Agenda 2008" as we look at what's in store for the upcoming year, industry projections, and new products and services.

We are looking forward to another great year and we would like to wish you and your loved ones a happy, healthy and prosperous New Year.

# AGENDA 2008



## THE FUTURE NOW.....WHAT SETS US APART IN 2008?

On September 4, 2007, The Computer Merchant, Ltd. launched a revolutionary new recruitment system powered by the best technology in the staffing industry. Incorporated with this new technology are multi screen presentations, special switching and new voice concepts. We retrained our staff on our new delivery model, increasing response time threefold in comparison to other firms in the staffing industry.

We have also created a faster, more accurate process to present the most qualified, skilled and available candidates to our clients. Our consultants are now able to be selective and view available jobs that ideally match their skills. TCM's focus is on creating a five star support service to our clients and contractors with superior technology.

### Key features of our ASP not found in any other system presently available:

- A state of the art process that continually scans millions of IT resumes matching specifically to exact client needs. Immediate notification goes to our highly trained tactical recruiting team for efficient solution and service.
- Ability to rapidly search on years of current experience, industry relevance, and comprehensive skills for the client's open position. The result is superior service and a satisfied client.
- Ability to quickly perform fit assessments electronically; this feature weeds out, and interprets years of relative experience by electronically analyzing resumes. Our recruiter is presented with a comprehensive assessment of their fit for the position with pin-point accuracy. This allows TCM to act more efficiently and quickly for the client and consultant.
- Ability to proactively market candidates nationally and internationally for our clients based on historical preferences and needs.
- Ability to tailor candidate submittals to our individual client preferences on how candidates are to be presented.

In short, this remarkable process significantly shortens placement timelines between best candidates and client specific need, resulting not only in speed but quality and customer satisfaction.



### Major IT Permanent Placement Agreement Signed

TCM was recently awarded a Master Agreement to staff cutting edge software technology positions with a major software company out of Washington State.

This Agreement has already yielded placements and will allow TCM to work closely with the in-house recruiting staff on identification and placement of IT talent. Architects, engineers and developers with experience in innovative software will be matched with dynamic technology opportunities that will transform how people work and how they play. These positions will be in all geographic regions as well as in wide ranging technologies from basic operating systems to the latest in CRM and web enabled applications. Watch the TCM web site for postings about these great opportunities.

## 2008 Forecast

IT is the second largest temporary staffing segment (\$21 billion) within the industry.

**Short-term prospects** - In 2008, the projections are that IT temporary staffing revenue to increase by 9%.

**Long-term prospects are excellent** - IT employment is projected to continue to strongly outperform - growing more than twice as fast as employment generally through 2014.

**Not just big, but profitable** - There are over 1,600 staffing firms operating in the IT space. Of these, 34 had estimated annual IT temporary staffing revenue of \$100 million or more. Despite higher cost structures (insurance, healthcare, legal costs, etc.) IT staffing firms tend to be more profitable than most, averaging 7.4% EBITDA/revenue versus 4.4% for the rest of the industry.

**Key Challenge** - The key challenge is recruiting. IT unemployment rates are approaching record lows. For staffing firms skilled in IT recruiting all this may work to their advantage, as "difficulty finding quality people" is one of the top drivers of contingent IT purchases.

**IT employment rapidly expanding with no end in sight** - Driven by ever-increasing use of technology, IT employment is projected to continue to strongly outperform - growing more than twice as fast as employment generally through 2014.

**IT skills supply to tighten further** - The internet boom appears to be wearing off and a reduced inflow of new IT workers will become even more challenging.

**Additional key drivers** - Another stimulant to the use of IT staffing firms is the skill-specific nature of IT employment and the immediate demand for specific IT skills. For instance, five years ago java script did not even appear on the radar screen. Today, there are thousands of openings for java script programmers. Surveyed contingent IT staffing buyers likewise cite rapid growth, variable needs and difficulty finding quality people as key drivers of IT staffing, along with the advantages of "try before you buy."

**Economic rebound should boost IT prospects in 2008.** Economic forecasts suggest the softened US economy will bounce back to some degree in 2008, a more positive environment for IT staffing and increased demand.

**IT firms more profitable, and IT gross margins on upswing** - IT staffing firms typically have higher gross margins and superior bottom line returns, despite higher cost structures.

### In demand skills:

- Computer and information scientists
- Computer programmers
- Computer software engineers, applications
- Computer software engineers, systems software
- Computer support specialists
- Computer systems analysts
- Database administrators
- Network and computer systems administrators
- Network systems and data communications analyst
- Computer Operators

**U.S. IT Direct Hire Revenue** - IT staffing firms are active in the direct hire market. We estimate total IT direct hire at \$2 billion to \$3 billion annually, over a third of total industry direct hire sales across all segments.

Source: Staffing Industry Analysts "IT Staffing Growth Assessment" report. Published December 2007.



## One to Watch.....

John Teceno has worked for TCM for three and a half years as a Senior J2EE Developer. John currently plays a crucial role in a large Application Development effort for one of TCM's premiere Fortune 500

customers. The project entails the re-writing and re-building of a very large Call Center Application. As a Senior J2EE Developer, John has been involved with redesigning the older mainframe application to a new and more robust J2EE application. This new system will save the client money by speeding up the end user ability to reduce cycle times with booking reservations. John holds a Bachelor of Science/Computer Science degree from North Adams State College and has over 17 years of experience. John has done a great job over the years and he continues to add value.

From all of us here at TCM, we say, "thank you" to John Teceno!

If I have seen farther than others, it is because I was standing on the shoulder of giants.

~ Isaac Newton

## Recommended Reads

### Lead Like a Pirate! Leadership Secrets of the Pirates of St. Croix

Author: Christopher Novak

"Learning the secrets to effective team leadership has never been more fun than with this beautifully illustrated book set in the golden age of pirates! Sail with Captain Tiger-Eye Taylor as he shares his secrets on Captain, Crew, Mission, Strategy and Treasure - the keys to transforming bands of buccaneers into high performing legends of teamwork. A must-read resource for every frontline leader, it's the perfect tool for sparking serious discussion on what it takes to turn diversity into strength, speed into advantage and heart into leadership. Give your Captains and Crews something to cheer about with this themed-learning gem!"



Lead Like a Pirate teaches us the characteristics of effective leadership while providing ideas for bringing the real life lessons of Pirates to the workplace. A must-read for every team leader looking for an entertaining way to begin a dialogue about building a successful team that maximizes the contributions of its individual members. --Amy Diamond Barnes, SPHR, Associate Vice President for Human Resources, Colgate University

## Looking to make some cold cash this winter??

### Contract Employee or Subcontractor Referral:

A referral bonus of \$250 will be paid to the sponsor of a new TCM consultant (W2 or corp-to-corp) upon completion of the first 320 hours of work by the new consultant, and a second referral bonus of \$250 will be paid upon completion of 640 hours of work. This is now double what was offered previously!!

### Direct Hire/Permanent Placement:

A referral bonus of \$750 will be paid to the sponsor of a full-time placement candidate.

*Certain guidelines and restrictions apply. Please contact your Account Executive or Recruiter for complete details.*

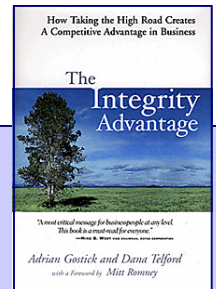
## A New Year ... A New You!

Investing in Integrity. It's not as easy as it sounds, but it's worth the work.

With *The Integrity Advantage*, Adrian Gostick and Dana Telford establish a burning platform-that personal integrity is a proven competitive advantage in business. Prominent business leaders from some of North America's most respected companies discuss the role integrity has played in their successes, and offer examples of the importance of integrity in business today. Not merely a collection of essays, the authors also share an effective system of decision-making designed to help anyone implement integrity into every action. The importance of trust and credibility within business relationships is examined and discussed, as Telford and Gostick illustrate how to juggle wealth, power, and responsibility-and be a person of character.

*The Integrity Advantage* explains integrity in a corporate setting. It boils integrity down to 10 characteristics, which it then defines. Some of them include:

- ✦ You know the little things count.
- ✦ You mess up, you 'fess up.
- ✦ You keep your word.
- ✦ You care about the greater good.
- ✦ You act like you're being watched.
- ✦ You hire integrity.



The Computer Merchant, Ltd. (TCM) is pleased to announce it has been awarded a new, two year contract to provide information technology consulting services with one of Massachusetts leading health services companies. TCM will provide IT Staffing Solutions in the project management, business analysis, network engineering, system architect, software development and other support resource areas.

## The good, the bad and the annoying.....

Each year PCWorld puts together various year-end lists ranking the years best and worst in technology. These lists are fun to read and you will be surprised by some of the products you have forgotten about. They have also added the **all time** best and worst. Below are just a few. The full listing can be found at PCWorld.com.

### 2007 Favorites

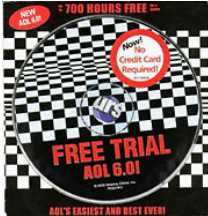
#1. **Product of the Year:** Google Aps Premier Edition

#1. **Cell Phone Favorite:** AT&T Tilt 8925 by HTC

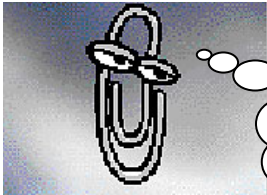
#1. **Biggest Tech Disappointment:** Amazon Unbox

Worst PC of **All Time:** Packard Bell PC's (1986-1996)

### Most Annoying Tech Product of **All Time:**

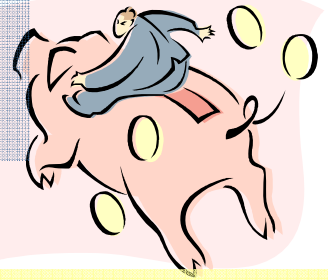


AOL CDs promising a "free trial offer" and "Clippy" the Microsoft paperclip who never hesitates to offer inane advice with unwavering persistence. Not only did he pop up and give you advice you didn't ask for, but he knocked on your screen to get your attention when you tried to ignore him.



Who are they calling annoying??

Is your New Year's resolution to start saving for your future?



If you would like to join TCM's 401K Plan and begin tax deferral savings up to 20% of each paycheck (to the calendar year maximum of \$15,500 for 2008), please e-mail Michele Rourke (mrourke@tcml.com) to request an enrollment kit. Eligibility for our 401k plan does not require any period of active service to join. Participants must be age 21 or older. Employees may join the plan at the start of any calendar year quarter (the next is April 1<sup>st</sup> followed by July 1 or October 1). Please note that participants who are age 50 or older, or will turn age 50 during the coming calendar year, may defer an additional \$5,000 over the calendar year IRS maximum of \$15,500 (up to \$20,500).

Mark your calendar and contact Michele for your enrollment kit.

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