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# THE NAVIGATOR

HAPPY NEW  
YEAR!  
FROM ALL OF US  
AT THE  
COMPUTER  
MERCHANT, LTD. !

Looking back on 2008, it's probably safe to say that this could be known as the year where everyone was asked to do more with less. All of us were pretty hard pressed to find even a little good news or a silver lining to this economic disaster. Everyone is cutting back and tightening their belts.

However, not *all* news is dismal. In its most recent projections, the U.S. Bureau of Labor Statistics says that the employment services industry—which is primarily staffing—is expected to be the second largest job-growth industry in the U.S.

Jobs, flexibility, bridge to permanent employment, choice of alternative employment arrangements, and training—these are the benefits staffing firms offer to today's workers. Flexibility and access to talent—these are the benefits staffing firms bring to business clients. And jobs, labor market flexibility, efficient bridging to permanent jobs, and training—these are the benefits staffing firms bring to the economy.

Today's economy presents good opportunities for temporary staffing firms to sell clients on the idea of hiring temporary workers for projects. This provides a more flexible work force with long-term controllable costs.

The industry has been growing faster than the economy because of flexibility: ***Workers want it, businesses need it, and it's good for the economy.***

In addition to the many features in this quarter's Navigator, John Danieli, President & CEO of TCM, presents his forecast for 2009 which is based on three decades of personal experience in the IT Staffing business.

We are looking forward to 2009! We hope it is a safe, happy, healthy and prosperous one for you and your loved ones. We are ceaselessly grateful for our valued Clients, Contractors and Employees that make every day possible.

*Contributing Source: ASA and TBJ online*

## A Message from John Danieli, President & CEO, The Computer Merchant, Ltd.

As some of you know, I have worked in the technology industry in one form or another for the past 42 years. Three decades of that experience has been gained in the Staffing Industry during which we managed through three challenging recessions. This experience has given me insight into the industry, how it was impacted by previous recessions and how it emerged from them. With that in mind, I wanted to share my perspective and outlook for 2009.

- As was the case in each of the previous recessions, during 2008, we saw many companies experiencing unparalleled levels of business contraction and uncertainty about the future. In response, many enacted aggressive cost reduction initiatives that impacted headcount and technology spending across the board.
- In 2009, the mandate to “cut” will continue but will be augmented by “invest”, “hire” and “plan and execute better”. Companies will look to technology to drive efficiency and better business productivity while utilizing it to solve short-term business problems. They will also invest to extend the capability and useful life of their existing systems and core applications.
- With hiring freezes in place across many organizations, companies will need to depend on highly skilled contingent technologists who can get the job done on critical projects. Whether a client’s technology services budget is \$15 thousand or \$17 billion, they will all need and expect the same thing: **the best people at the best price who will achieve the best results.**
- “Buy American” is the phrase we are increasingly hearing on the street. We see many off shore initiatives taking too long to implement and deliver while yielding actual total cost increases in comparison to on-shore and in-house alternatives. Clients need high quality results quickly and are beginning to pull projects back to the U.S. The cost and scarcity of highly skilled resources in India and many other off-shore markets has skyrocketed to the point where the differential compared to the U.S. is shrinking rapidly. When the actual total realized cost to deliver the finished “full production” product is calculated, many clients are finding a clear U.S. advantage due to cost, off-shore inexperience, high turn-over of resources and delays caused by missed milestones and poor quality assurance.
- Clients increasingly want to do business with partners that bring a track record of success and a compelling value proposition based on delivering exceptional service at a very cost effective rate. They want to know their suppliers have the size and financial stability to ride out this economic storm, and a cost structure and delivery platform that enable them to get the job done - on time and on budget without sacrificing quality. TCM is fortunate to have no debt, strong working capital, and a low-fixed cost structure due to our centralized delivery model.
- Contractors - If you want to work hard and deliver strong results - you can, but be prepared to work for clients under their pricing models, not yours. Know that all clients have tightened their belts and have taken aggressive steps to reduce costs and pricing models. This was the mantra in 2008 and will continue in 2009.
- Expect more credit checks, more in-depth security and background checks and an increase in drug testing in 2009 as more clients look to reduce operational risk and maintain Federal compliance . In many cases, references and background checks will be done when the candidate is presented to the client to ensure their integrity and viability from the onset of the placement activity.
- There is business out there but it is taking longer to approve and is subject to excruciating ROI demands. In 2008, TCM had one of the best Decembers on record in closing business. This success was fueled by millions of dollars of investment in strengthening our core technology systems to allow us to deliver the best talent faster and more efficiently than the competition. This two pronged advantage of a centralized model and best-in-class technology will help TCM continue to earn “supplier of choice” status with our clients over the next several years.
- Assignments will typically be four months in duration for commercial assignments and six months to a year for Federal assignments with possible extensions.
- Many small IT staffing companies will close their doors this year as payment terms are stretched out, margins are compressed, costs for insurance and financing increase and cash-flow is squeezed.
- Given the depth of the financial challenges and problems and the time it will take to work them out, I expect this recession will last two to three years.

### Top Technology Trends for 2009, Virtualization and Cloud computing tops the list.

- Virtualization
- Cloud computing
- Servers
- Web-oriented architectures
- Enterprise mashups
- Specialized systems
- Social software and social networking
- Unified communications
- Business intelligence
- Green IT



Source: Top10Dedicated Hosting.com

### Cloud computing at a glance:

Source: ComputerWorld

- What a private cloud is: A flexible computing network modeled after the cloud computing services of such public providers as Google and Amazon.com, yet built and managed internally for a business's users.
- How it works: Virtualization and other technologies combine to create flexible and scalable computing pools that allocate processing power and applications on demand. Users are presented only with a service-orientated interface.
- Components of a private cloud: Virtualization, application streaming, configuration management, application life-cycle management, run-book/process automation, usage-based chargeback and billing, operating-system provisioning.
- Key-Benefits: Economies of scale, service-level agreements, availability on-demand, linear scalability, self-service.
- Key Challenges: Vendor hype, growing storage needs, technology that can manage distributed resources as a whole still in early stages.

## TCM Breaking News...



TCM was recently awarded a key project at one of the largest financial institutions in the world. We were selected as the go-to partner on this critical MPLS/VOIP and data center migration initiative. This award is particularly gratifying as it follows the client's announcement of a technology spending freeze and an aggressive plan to cut at least \$3 billion in operations and IT spending over the next three years. This project will consolidate data centers, optimize global voice and data networks, standardize its application development processes, and reduce the number of IT vendors.

TCM will provide a large national team of Network Analysts and Network Engineers to perform critical functions across 114 major sites and six Data Centers as well as utilize our outstanding tool, *TCMProjectDeploy*®, to manage the detailed aspects and deliverables of the project.



**The Festival of Trees** is held each year at Plimoth Plantation, Plymouth, MA to celebrate the joys of the holiday season and supports the care given by Cranberry Hospice. This unique event features over 50 spectacular Christmas trees, from six foot to 15 foot giants. Entertainment, daily visits with Santa, a Cocktail Party and a unique gift shop surround the Festival with all the tradition of a New England holiday season. Thousands of people from all over the South Shore and Cape Cod enjoy this entirely volunteer run Festival every year. Money raised through the annual Festival of Trees is used to financially support the life-affirming care provided by Cranberry Hospice, serving parts of the Massachusetts South Shore and Cape Cod. Along with raising much-needed funds to support vital services and the Children's Bereavement Program, the Festival brings a gift of celebration and joy to the residents of the communities served by Hospice who have been so supportive over the years.

Every year for the past 19 years, TCM has sponsored a Christmas tree for this wonderful event helping to raise money for Cranberry Hospice. This year, the theme for our tree was "Garden of Hope" decorated by the Seaside Gardeners Club of Marshfield, MA. After the festival, the trees are sent to various hospitals, nursing homes and other community locations to be enjoyed by all. This year, TCM's tree was sent to the Ventress Memorial Library in Marshfield.

Contributing Source: [www.cranberryhospice.org](http://www.cranberryhospice.org)

**ACH PAYMENTS** - The Computer Merchant, Ltd. (TCM) is now offering ACH (Automated Clearing House) payments to our suppliers. ACH payments are a form of electronic fund transfer that provides a secure, efficient method of receiving payments. Our continued growth and leadership in the industry is a direct result of our commitment to improve customer service to our partners. The program was launched in mid December and was a big success with over 40 suppliers signed up, and that number continues to grow.

### Benefits:

- Convenient and reliable
- Accelerated availability of funds
- Eliminates handling of paper checks
- Avoid delays or lost checks in the mail
- Reduces the risk of check fraud
- Funds are deposited directly into your account; avoid having to wait for checks to clear.
- Fast access to funds can be critical to small companies who need cash flow to maintain daily operations.

**To Participate:** Go to TCM's home page, click on "Solutions for Consultants", then "Assignment Documents" and download the EFT form under supplier documents. Complete the EFT form and email with a voided check or deposit slip to: [Supplierservices@tcml.com](mailto:Supplierservices@tcml.com) or fax to 339-613-3022. Please allow up to two weeks for processing. When the processing is complete, you will begin receiving payments electronically in your next payment cycle. Check vouchers will be sent via email. If you have any questions, please email Supplier Services or call 800-617-6172.

## Merriam-Webster's #1 Word of the Year for 2008:

1. **bailout** (*noun*) - a rescue from financial distress



## Notes of Interest from 2008:

- As of December 26th, 2008, the national average price for unleaded gas is \$1.648 (falling nearly 60% from this summer's record highs).
- In July 2008, consumers paid an average all time high price of \$4.11 a gallon.
- Number of FDIC insured banks that have failed in 2008: 16
- Number of banks that failed from 2004-2007: 6
- The fair price of oil, according to Osama Bin Laden in 1998: \$144 per barrel
- Date in which oil reached \$144 per barrel: July 2, 2008

Source: CIO Magazine

## Don't Forget!

### 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.*

## Recruiter Code Word - Decoded

### Purple Squirrel

A purple squirrel is “the dream candidate that doesn't really exist, or if they do, they're very elusive”.

Quite often you will hear recruiters and other professionals in the industry using this expression, so you can only imagine how amused TCM staff were when they came across the following story.

By Daily Mail Reporter

Last updated at 10:05 AM on 22nd December 2008



Infamous Pete the Purple Squirrel, U.K.

We've all seen lots of grey squirrels and maybe the occasional red, but this chap is definitely going through a purple patch. He was spotted at Meoncross School in Stubbington, Hampshire (U.K.) where pupils, staff and parents have all tried to solve the mystery of his unusual hue.

One clue is that he frequently pops into a building where old printers are stored. TV wildlife expert Chris Packham said: 'It is possible he has been chewing on a purple ink cartridge and then groomed that coloring into his fur. 'Squirrels will chew anything even if it's obviously inedible. He is unlikely to have fallen into paint because that probably would have been fatal. But people who have seen the squirrel say they do not believe this explains its even coloring. 'It's fur actually looks purple all the way through. It's an absolute mystery.'

*Contributing Source: [www.dailymail.co.uk/news](http://www.dailymail.co.uk/news)*

## Ten Most Popular Resolutions for 2009

1. Make more time for family and friends
2. Quit smoking
3. Start exercising
4. Go back to school/take a class
5. Get out of debt



6. Advance in personal career, make more money
7. Get involved in philanthropy and their community
8. Give up drinking
9. Lose weight
10. Better their relationships/find true love

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