



4405 Steubenville Pike  
Pittsburgh, PA 15205  
412-928-8670  
Fax-928-9214  
[www.WeMasterIT.com](http://www.WeMasterIT.com)

## The PC Network Services State of the Company - 2007

---

### Thank you

It is amazing how fast time goes. Another year has come and gone, it is that time again to sit back and take stock of our company. We have gotten in the habit of doing this each year at this time. It gives us the opportunity to learn from our past, appreciate the present, and plan for the future. As we go through this process it is important that we recognize that nothing happens without you, our Clients. You enable us to ply our trade, your feedback gives us direction to improve, and your satisfaction with our services motivates us to do better every day. Every member of our team thanks you for choosing us as your information technology (IT) support team.

### The State of the Industry

The past couple of years have seen little change in the core systems used by small and mid-sized businesses (SMB's). While the performance to price ratio continued to move in the consumers favor, the core operating systems and software has changed little. This has benefited us all in simpler decision making, refined processes, reduced integration costs, and overall stable computing. Some of this is going to change with the advent of the latest offerings from Microsoft. Microsoft is in the process of releasing major upgrades to all their flagship products (Windows Server & PC, Office, and Exchange). Over the next 12 to 24 months this will complicate much of our decision making. Please note that this is a phase of the normal cyclic PC software evolution. Although this is the most painful phase, the result has always created a generation that is more powerful, useful, and reliable than the previous one.

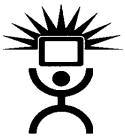
Security continues to be a major area of concern. The good news is that enterprise level tools continue to filter down into the SMB market space. However, as one threat is avoided, two new ones appear. This is combined with many new "trusted entry points" to our networks which are difficult to manage. Home PC's, traveling notebooks, and wireless PDA's (Blackberries, Treos, etc.) are a security management challenge. Please be sure to contact us *prior* to purchasing any wireless PDA's.

In speaking of the "trusted entry points", the ability to work remotely continues to improve. Ever faster Internet connections (wired & wireless), greatly expanded Internet availability and better remote connection software makes it technically possible to work from just about anywhere and at anytime. This issue will spawn many conversations about how and when we work and company work rules.

Overall the industry continues to move forward in improving the reliability and predictability of IT for SMB's. While we see a period of uncertainty with the new Microsoft releases, the long term will continue down this track.

***The PCNS State of the Company - Jan 2007 - Final.doc***

*We keep your IT infrastructure stable, your costs predictable, and your staff focused on activities that execute your business strategy and add to the bottom line.*



## **PCNS - A Year in Review 2006 – Our Accomplishments**

**Implementation of a New Practice Management System:** In June we launched ConnectWise, an IT industry practice management system designed to tie together all of our separate information management systems. These separate systems included accounting, Help Desk database, scheduling, project management, and Customer Service. This process was much harder than anticipated. While painful, we learned many life lessons moving through it and have now have a strong foundation to build from moving forward.

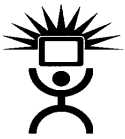
**Managed Backup Services:** Over the course of 2006 we have been implementing our Managed Backup Services throughout our Client base. This service significantly improves our ability to protect our Client systems and reduce un-predictable support costs and downtime. We expect this service to become mandatory in 2008.

**3<sup>rd</sup> Generation Core Monitoring Platform:** Late in the year we put the final touches on our 3<sup>rd</sup> monitoring system. It is amazing how far the systems monitoring industry has transformed in such a short period of time. Compared to our first system, the old one was a Model T. One of the things that has become clear to us as we mature is that monitoring is a culture and not a product. While this system is the main core of monitoring platform, we rely on input from many different sources and most importantly our technical staff that must decipher the data into meaningful action. Our goal is to avoid or reduce system disruption through timely information management, and it works.

**Co-Location of Critical Systems Management Equipment:** As we have become ever increasingly reliant on our management systems to monitor and support all of our Clients, any Internet or commercial power disruption would dramatically reduce our ability to perform. Combine this with our never ending hunger for more Internet bandwidth, we moved our core servers to the Nauticom Gibsonia Co-Lo facility. This site provides us with virtually unlimited Internet bandwidth and has state of the art security, fire suppression, and backup power systems. This move has greatly increased our performance and uptime.

**Expanded the Help Desk – Again:** In our ever increasing passion to perform more of our support services remotely and make our Client's support costs more predictable, we added another tier to the Help Desk. Then we turned the Help Desk it on its head. Most support companies (big and small) bring all support calls in at Tier 1. If the call can not be resolved there the call is escalated to Tier 2, and so on. We have tried to change that model. We are currently having all calls triaged by our Tier 3 support desk and then assigned to the properly qualified technical resource. This has dramatically reduced our call duration and is providing a better experience to our Clients.

**Created a Network Assessment System for Prospective Clients:** This system is used to give the business owner or manager an easy to read assessment of their system. We use it as an introduction technique and it has been successful in gaining us 6 new Client relationships this year. We are currently supporting over 80 Clients and more than 120 sites in 17 states.



## PCNS – Looking into 2007 – Our Goals

**Upgrade Technical Skills:** With the flurry of new products slated to be released by Microsoft in Q1-07, we are fully engaged learning the new technologies and designing our processes and systems. We don't expect to start deploying any of these technologies until late 2007; however, the ramp-up time is significant.

**More Security Improvements:** Security will continue to dominate our attention as users are doing more remotely and Internet becomes ever more mission critical. One of our goals last year was to upgrade our desktop security software (Symantec). We reviewed many products, but at the end of the day we didn't think any were good enough to justify making a Client-wide change. We still believe there is significant room for improvement on this front and will continue to evaluate all offerings. Mobile security will also be a priority this year. The security perimeter as we knew it is beginning to dissolve. Over the years we have done a good job of fortifying our Internet perimeter, now, we are compromising it with potentially infected remote users and devices. The solutions to these issues are currently at the enterprise level and we are constantly looking for these security technologies to move into the SMB price point. Until then we will do our best with the tools at hand and try to educate users on computing habits.

**New Facility:** This was another goal from last year. While we looked at a lot of properties, nothing seemed quite right. Well, we can't wait much more. We are currently bursting at the seams. On most days it is hard to find a parking spot in our lot. This is a big change from six years ago when there would only be one or two cars, last week I counted seventeen.

**Legacy Clients:** This relates to the new facility and how our support organization has changed over the years. Legacy Clients are Clients that employed us before or during the early stages of our support transition (2001ish) and have been slow to adopt into our new support programs (you know who you are). Our Legacy Client's support costs are being subsidized by our Clients subscribing to our current offering and it is becoming increasingly difficult for our support staff to manage them. We hope to have all of our Legacy Clients amicably transitioned by the end of the year.

**Automated Reporting:** Currently most of our system performance reports are hand generated and delivered as a part of our regular review meetings. We will slowly start sending out regular reports via email over the next few months. Please provide us feedback on what you like and what you don't.

**Sales and Marketing:** We have recently engaged a local prominent leader in IT consulting to assist us with our sales and marketing effort. As most know, our marketing strategy over the last 17 years has been strictly word of mouth (thank you for referring us, we appreciate it and take this as a compliment). As we continue to grow (slow but steady) we need improve the predictability of our new Client acquisition. Our goal is for 9 new Clients from this program in 2007. We are learning a lot about website optimization and Google ad words, if anyone has interest we will be happy to share what we have learned.



Lastly, we would also like to mention that our success depends on your success. The focal point of all our goals is to provide you with a stable, predictable, worry-free technology platform from which you pursue *your* goals and run a successful and profitable enterprise. When we perform well, you are free from the distractions of technology and are able to focus all energy on taking your organization to the next level. Flexibility is key to us being able to constantly adjust to the ever-changing technology landscape and provide ever increasing value to you. So, when you see us continually tweaking and re-engineering our processes, tools, and channel partners, you can rest assured that we striving to improve your security, stability, and predictability.

## Thank you

As you can see we had a productive year and made good progress on our goals. Next year will be equally challenging, not only will we be focusing on our continual refinement of our support programs, but we will be aggressively re-engineering our technical skills and processes too. It should be fun.

We are proud of what we have accomplished last year and are excited about the coming year. We welcome any and all of your thoughts on how we could improve the services we provide.

In closing, we want to thank you for giving us the opportunity to practice the trade we love to do. As always, we appreciate your business and thank you for your patronage. We wish you a wonderful and prosperous 2007.

PETER & CLINT