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The PC Network Services State of the Company - 2010

Thank you

Goals. Success in life comes from an individual's and/or organization's ability to set and pursue meaningful and measurable goals. In the dynamic world we live in, goals and the confidence to pursue them are what gives each of us the hope that tomorrow will always be better than today. It is in this context that we present to you the seventh annual edition of the *PCNS State of the Company* letter. This annual exercise is our way of learning from our past, appreciating the present and planning for a better future. Before we head down this familiar path, we would like to express our gratitude to the people and organizations that provide us the opportunity to be a vibrant, dynamic company. As we celebrate our twentieth anniversary, we extend a *heartfelt thank you* to our staff, our Clients and associates for allowing us to ply the trade which we love.

The State of the Industry

When you look back at the year in review, two words come to mind; the economy, and the cloud. These two topics dominated the year and everything else occurred because of or in spite of them. The economy needs no description, organizations, regardless of how they fared, hunkered down throughout the second half of 2008 and through most of this year. We were sad to see some Clients and associates that didn't fare well. We will miss them and be here to support them in their next endeavors. The cloud on the other hand is another storm that has been brewing on the horizon for some time, but its thunder and lightning can now be seen and heard not far off in the distance. The cloud is a very general term that essentially separates the results of technology from the mechanics of delivery. A simple example of cloud computing is online banking. All that a user sees are the results of the technology; they need no special equipment or software to access their information safely and securely. Cloud computing increases the availability of information and reduces the costs. It comes in many, many variations and just about every new technology conversation today includes some flavor or option of it. Google has become one of the leading cloud players, but aside from Internet search, their cloud applications are not yet business grade. Google is pushing the marketplace with their cloud and we are confident they will drive innovation. Lastly, as the world is clamoring for the cloud, Microsoft is continuing to improve on their hold on the traditional computing world. This past year saw the long anticipated release of Windows 7 (arguably the best Windows ever) as well as announcements of new versions of Office and the Exchange mail server. Microsoft has been on a roll the last few years and makes a compelling argument to hold off on the cloud for another generation. To hedge their bets, Microsoft also has a significant cloud initiative in progress. In the midst of all this new technology one thing is certain; we will not be bored over the next few years. Yet, in order to make good business decisions and technical recommendations, we will need to be observant and objective as we evaluate the new technologies.

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The State of PC Network Services

As a company, we feel fortunate. We were able to hold the recession at bay, make progress on our goals, and add some resources and capabilities. The anticipated byproducts of the recession (new Clients and talent availability caused by competitors going out of business) never materialized, and the less anticipated reduction in project work made for some anxious times. We focused our resources on addressing the increased support burdens by our Clients aging infrastructure (caused by putting normally scheduled upgrade projects on hold), thus buying our Clients time until the economy and their business conditions improved. We also used this time as an opportunity to invest in expanding our data center, internal training programs and staff certifications. While the effects of the economy impacted our overall business performance, together as a group we weathered the worst economy in our professional lives. As the year started to come to a close and the general economy started to feel that the worst was past, we have suddenly found ourselves in a very intense project boom. Around Halloween we started to see upgrade projects that were on hold start to become active, this surge has caused us a backlog that we expect to last well into the spring. We again are reallocating our resources and continue to look to acquire new talent to add to our team. Please keep us in mind if you know of anyone who would fit into our organization and culture. It is our opinion that the recovery will be slow and bumpy and that some of our old ways of doing business are gone forever. However, the old saying goes "if it doesn't kill you it will make you stronger", we feel we are a better organization for succeeding over the last year and look forward to 2010. Also, this year we are celebrating our 20th year in business. We want to take the opportunity now to thank you for making this milestone possible. Nearly 50% of our new Clients come to us by referral. Recently, a Client asked us if we are taking on new Client relationships. The answer is a qualified yes! We say "qualified" because, although we are well poised for growth, we are interested in growing at a reasonable pace without compromising the trust and confidence you have placed in us. We will value others like you, who seek a long-term relationship with experienced professionals. A referral from you and your continued business are the highest compliments we could ever receive.

PCNS - A Year in Review 2009 – Our Accomplishments

From Last Year's State of the Company Letter:

Office Goals:

New Office - As we write this letter we are in the final stages of negotiating new office space. If all goes as planned we will be in our new space March 1st.

Rockefeller Habits - We have made some great progress on this program and thanks to the persistence of our coach, [Bryan Fisher](#), we were able to establish our company core values, our brand promise to our Clients, make significant improvement to our meeting rhythms, and start to develop individual, departmental and company metrics. This has directly impacted our Clients by making our service delivery consistent, concise and measurable. We look forward to perpetual progress with this program.

Extended Help Desk Hours - This year we have extended our Help Desk hours to start everyday at 6:00am finish at 9:00pm Tuesday's and Thursday (6:00pm M-W-F). Once this schedule settles in we will determine if we will extend the hours to 9:00pm daily. Also for the Help Desk, we increased our staffing by 30%, added a Help Desk manager, and implemented an in-house training program.

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Managed IT Services:

Remote Data Backup - We have made some significant strides in this area with some of our hosted Clients, but our mainstream offsite backup continues to be tape. We believe the technology we want we can't justify, and the technologies we can justify we don't want. In our core Client base tape is still the most cost effective solution. We have two pilot tests currently running that have promise, rest assured, we will let you know when the time is right.

Email Archiving - We have successfully deployed email archiving solutions this year. It still seems that this is an area for those with regulatory or compliance issues. Expect to see email management continue to demand mindshare from all businesses and organizations this year.

Knowledge Management Database Upgrade - We held off on this project this year, but did make significant technology improvements in our KB (Knowledge Base) and BP (Best Practice) databases - we developed these [wikis](#) which will be the core of the Knowledge Management database upgrade.

Change Management Protocol - We completed the first phase of CMP (this is any modifications to our datacenter, Client firewalls, and any system backups) and have indoctrinated it into our culture. This ongoing process will improve our internal controls which will have a direct impact on our Client systems predictability.

HD Ticket Close Protocol - In another effort to continue to improve the level of service to you, we have redesigned our internal protocol for handling the closure of Help Desk tickets. This process will begin early in the New Year.

More green:

Green makes good rhetoric - This is an area in which I have the most disappointment. We were confident that we could make an impact in this area with our Client's technology, but we made very little progress. We attempted to incorporate the topic in our technology review meetings, but the interest was not there. We are committed to improving our collective energy footprint and will strive to keep this conversation relevant. [Here is a link to what we are doing.](#)

Technology Goals:

Microsoft Technologies - As previously mentioned the current MS technologies continue to improve in functionality and quality. The most notable changes are that new products are coming into production much quicker than in the past. The normal 6 to 12 months of waiting before it is "safe to use" seems to be going away.

Internet Content Management - 2009 seemed to be the year for the acceptance of content management. The stigma of "big brother" watching seems to have been overshadowed by the productivity gains, improved security, better resource utilization, and overall control over the now mission critical umbilical cord to the world (the Internet connection). We expect this to be standard equipment on all systems over the next few years.

Business Intelligence - Internally we are making great inroads as we define, measure, and display our internal company metrics. We are also seeing many of our Clients becoming more reliant on their technology to gather process, and display this information which is then used in day to day and strategic decision making.

A couple of things that weren't on the list:

HR Consultants - We were fortunate to be referred to some wonderful HR consultants that helped us tremendously as we created (or re-created) our privacy policy, code of ethics, and policy manual. These two groups (LMT's Human Resource Solutions & [Horrigan Resources, Ltd.](#)) are wonderful companies and helped us to make these documents reflect our culture and bring them to life.

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BC/DR - In 2009 we had the opportunity to become associated with a cloud based BC/DR planning company (Business Continuity / Disaster Recovery). This company offers the tools and framework from which a small business can realistically and economically create and maintain a meaningful BC/DR plan. We have spent the past six months training, learning the system, and creating our own plan (which we completed in December). We have recruited two pilot Clients for Q1 2010 and expect to open this to our entire Client base in the spring. We expect this will first be adopted by our Clients that require a plan for regulatory compliance, but from what we have experienced we believe that this will be beneficial to our entire Client base.

The Apple of my eye - Somewhere along the way we have developed some core Apple Mac competencies. While few of our Clients use Macs in production, many executives and home users are starting to utilize them from their home or as mobile systems. Our skills at supporting these devices are continuing to improve.

Internal Company Intranets - This year we developed the skills to create and manage internal company intranet portals. Our own internal system has become the focal point of internal communications. This is beginning to have a dramatic impact on the way we internally use email to communicate and reducing internally generated distractions. This is a component of a concept called *slow media* which we expect to elaborate on over the New Year.

PCNS – Looking into 2010 – Our Goals

New Service Offerings:

BC/DR - By implementing our own BC/DR plan we feel that we have made ourselves a better business and business partner. We expect to develop webinars and seminars to educate our Clients on the value of this process. Look to see educational events throughout the year.

Improved Internet Management - We saw great success with the introduction of our Internet monitoring appliance last year. We plan to include this technology in all of our lifecycle planning conversations.

Internal Company Intranets - We are very excited about the development of our internal company intranet. We feel that our system can be easily and inexpensively replicated for our Clients use. We will be discussing this new capability during our regular technology review meetings.

Technology Goals:

Major Expansion of our Data Center - 2010 will be a milestone year for our datacenter. We have plans to increase our capacity to host Client systems, improve redundancies, and increase the capabilities of our internal technology management systems.

Introduction of Thin Computing - Thin is in. Thin client computers, netbooks, and virtual PC's will change the way we manage endpoint computers and drive down the cost of ownership. Look to discuss this technology as a part of any lifecycle conversations.

Remote Data Backup - This may be the year. With two active pilot systems running, the continued increase in Internet speeds and reliability, the plummeting cost of storage, and the development of a technology called data deduplication, the stars are starting to align on this technology. We are still focused on the alignment of price, performance, and dependability, so we will keep you informed as these technologies come together.

Major Kaseya Upgrade - Kaseya, our core IT management framework, has released a major upgrade. From what we have seen and read, this will add significant capabilities to our support staff and Help Desk, improving our

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abilities to quickly troubleshoot and manage system issues. This upgrade will require a major capital investment in our data center, but the benefits will be justified. We plan to implement this in Q2.

Microsoft 2010 - The Exchange email system and the Office productivity suite have new versions coming out this year. If they are true to the latest trends, these will have a very quick adoption into the marketplace. Expect these products to be a part of any lifecycle discussions over the coming year.

Systems, People & Processes:

Slow Media - Text messages, incessant email, voice mail, intercoms, cell phones, smart phones, Facebook, LinkedIn, Twitter, it goes on and on. It has become increasingly difficult to disconnect much less find some quiet time to focus on the task at hand. As we move into 2010 we are committed to improving our communications while limiting disruptions. We intend to do this through a combination of technology, behavioral changes, and training. As always, we eat our own dog food and will be the first on the block to try it out.

Talent Acquisition - We are constantly scanning the job market for talented people to join our team. We hope to add another integrator and senior help desk position in the first half of the year.

New Databases - Our standards tracking database and knowledge management databases are slated for complete rewrites this year.

Change Management Protocol (Phase 2) - CPM is the process of planning, authorizing, and documenting system changes. Last year we successfully implemented CMP for any modifications to our datacenter, Client firewalls, and any system backups. This year we plan to also add active directory, file structure security, and communications systems to the list. While this protocol slows down the support process, it adds valuable control and predictability to our support.

HD Ticket Close Procedure (Implementation) - We designed this system in 2009 with the help of HDI ([the Help Desk Institute](#)). We will re-align some staff roles and start rolling this program out in Q1 and Q2. We anticipate this will take our Client communications to a new level. Please keep filling out those surveys!

Thank you

Again, thank you. We appreciate the opportunity you give us and strive each and every day to make your technology predictable; predictable in performance, reliability, and costs. We will remain vigilant on making sound business decisions for ourselves and prudent recommendations to our Clients.

As we begin the New Year, we look forward to helping all of our staff, Clients, and associates meet their goals.

We wish you a safe and prosperous 2010.

PETER & CLINT