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Long-distance, but face to face

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THE CHALLENGE: Surviving as an IT consultant.

THE STRATEGY: Focus on videoconferencing.

During the slow news period over the July 4 holiday, Twin Cities television stations carried stories about high-tech events taking place at a Twins game and at a game of the minor-league St. Paul Saints.

Through the magic of videoconference technology, people at those games were able to see soldiers stationed in Iraq talking face to face with their families at baseball games in Minneapolis and St. Paul.

Behind the scenes at those events and at similar long-distance meetings between Iraq and the Eagan Hills Alliance Church is a one-man company called InfraSupport. The company is operated out of the basement of Greg Scott, a former corporate IT consultant who has spent the past 11 years seeking a niche for his businesses.

His current niche, after trying many others, is affordable videoconferencing that works over the Internet, rather than over expensive, long-distance telephone lines. He's afraid his latest focus, like his earlier ones, will go begging for clients because he's a computer guy with no expertise in marketing.

"How come people aren't flocking to my door?" Scott said at the Eagan church where he has connected his congregation with a church member stationed in Iraq. "No one knows who InfraSupport is. Number two, videoconferencing across the Internet is brand new, and very few believe you can do it and do it reliably."

There's another reason his company hasn't grown from a little over \$100,000 in annual revenue, he said. Corporations are tired of hearing sales pitches from IT consultants who lost their jobs in the technology bust.

Scott said he could detect that weariness in the voice of a reporter he called to suggest a story about InfraSupport.

"You probably thought, 'Oh, crap! I'm going to go out to yet another laid-off IT worker who's trying to start a company.' "

At least this laid-off IT consultant has actually been operating his own companies for 11 years. In January 1994, he got the ax at Digital Equipment Corp. DEC, as it was known, made small mainframe computers before it fell from the status of pioneer to footnote as the computer industry consolidated. DEC was absorbed into Hewlett-Packard as PCs replaced bigger machines.

Scott, who was a well-paid DEC employee for 12 years, saw those changes from inside the corporate walls and never wants to go back.

In early 1994, he used his DEC severance to start Scott Consulting from his Eagan home. Soon, he was renting office space and hiring employees to do on-site IT consulting for companies that preferred to hire outsiders rather than staff to maintain their PC networks.

"It was a real company with real employees and all the challenges and opportunities you'd expect," he said. The opportunities provided \$1.2 million in revenue by 1998, when he had 14 employees.

Then, he said, the challenges came when the bottom fell out of the IT world, and he was losing \$5,000 a week as clients decided they didn't need his consultants. When a competitor offered to buy him out in 1999, he jumped at the offer. The buyout paid off most of his debt, and the merged company closed in five months.

So Scott moved back to his basement and continued to do some hourly consulting with companies that still needed occasional help with computer problems. But the idea of paying consultants on an hourly basis to solve problems seemed like a silly way for companies to run a network. So he developed a business model built on the idea that companies with PC networks would pay him a fixed monthly fee for InfraSupport to maintain and update their systems.

"Nobody cared," he said of that bright idea. "Nobody wants to do proactive IT service."

So he struggled to make a living doing reactive IT service on an hourly basis, selling \$100,000 to \$150,000 a year in consulting time. Thanks to his wife's medical-receptionist job, there is health insurance for him, his wife and their daughter.

Then, one day, he began to think about videoconferencing while he was stuck in traffic.

"Videoconferencing is one more way to be there without traveling," he thought. "I'd push a few buttons and I could talk to a guy. He'd be inside a TV, and I'd be inside of his TV. George Bush does it with his troops. Why can't I do it with people?"

The problem with videoconferencing, he discovered, is even the less-expensive systems depend on phone-line connections and the charges associated with those lines. The problem with sending digital video and audio over the Internet, he learned, is that there are many functions, including e-mail and Web browsing, competing for the bandwidth you need for audio and video. The answer, he learned, is a firewall that gives priority to videoconference traffic.

His years as an IT guy have made him an expert in firewalls, and that's how he was able to connect his friend in Iraq with his fellow church members at services. He built a firewall at Eagan Hills church and got Polycom, the market leader in voice and videoconferencing systems, to donate a unit that he connected through the Internet to a videophone in Iraq.

Now, he is knocking on doors of potential customers. His best prospect, he said, might be Ed Visions, a Henderson, Minn., company that is exploring a virtual charter school that will connect students to faculty through videoconferencing.

His toughest sell, he said, might be the corporations that could save millions by doing meetings for free over the Internet rather than booking executives on airliners and lodging them in first-class hotels. Those executives won't give up the travel, he said, but they might make lower-level employees meet by videoconference.

The expert's opinion: Keith LeFebvre, vice president of product marketing and management in Polycom's video communications division, said Scott might have finally found a niche that works as more companies look at exploiting the twin technologies of Internet Protocol (IP) and Voice over Internet Protocol (VoIP).

"Growth for IP-based video conferencing is about to explode, driven by VoIP," LeFebvre said. "And guys like Scott will have a new lease on life as businesses large and small jump on the bandwagon."

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