IEEE USA CONSULTANTS newsletter

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Chair's Corner:

IEEE-USA Consultants Committee Holds Workshop at IME South Conference

BY CHARLES LORD, P.E.

The 2024 IME South Conference held in Charlotte, North Carolina, 5-7 June, was the latest venue to host the IEEE-USA Consultants Committee, and its full day workshop; *How You Can Start or Enhance Your Consulting Business*. This committee's first-time endeavor to partner with a group outside of our local IEEE Consultant Networks was a great success. Thanks to all those IEEE members and non-members who attended.

Workshop attendees received the benefits of five different lectures from experienced consultants, on a variety of consulting topics. They also received five PDH credits for their participation.

One of the goals for this workshop was not only to assist IEEE members to transition to full-time consultant work, but also to expand our reach outside of IEEE. We hope to access new people, and bring them into IEEE, while introducing them to the world of consulting. By the high ratings we've received in feedback so far, we believe we have accomplished our mission.

The IEEE-USA Consultants Committee is still open to partnering with local consultant networks for half-day, or full-day, workshops. In addition, this committee will also be looking to partner with outside conferences — where we can offer our assistance to those looking to move into the world of engineering independent consulting.

ADDED BONUS FOR IME SOUTH CONFERENCE ATTENDEES

As part of our partnership with IME South Conference, I gave a presentation to conference goers on "*How to Hire A Consultant*." This presentation focused on what people should look for, so they can hire the right consultant to fit their needs. Not only do we need to train consultants, but we also need to teach would-be partners to know when it is time to bring in a consultant. This presentation may be a future webinar offering from the IEEE-USA Consultants Committee.

This committee will continue to look for new and innovative ways to educate people about consulting, as well as share information about this career path. ■

IEEE★USA

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Lost Touch With a Connection? How To Reach Out to an Old Network Connection!

BY LAURA BURFORD

You've identified a great prospective client, but you don't know the person — and the only person you can find who might be able to connect you is an ex-coworker you've not spoken to in years.

The situation presents a dilemma for you. **What do you do?**

- One option is to **not try to connect at ALL**. You take the prospective client off of your list of potential clients.
- Another option is to **send a personal message to the prospective client.** If done right, a personal message is extremely powerful, and you've already had success with personal messages.
- A third option is **reaching out, and asking the person you've not spoken to in years for help.** This option is also the best, because a solid introduction from a trusted person adds a level of credibility to an initial introduction, and helps with building a mutual relationship.

No one is to blame for the disconnect between you and the ex-coworker. You simply lost touch with them because of limits on your time,

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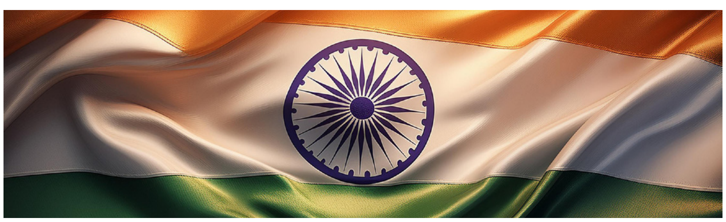

IEEE-USA Consultants Committee Welcomes New Affinity Groups In Bombay/Nagpur and Spain

The IEEE-USA Consultants Committee congratulates Shashikant Patil and Miguel Ferrando-Rocher on forming the IEEE Bombay Section-Nagpur Consultants Network Affinity Group; and the IEEE Spain Section Consultants Network Affinity Group, respectively. The new Bombay/Nagpur Section Consultants Network became official on 10 March; while the Spain Section Consultants Network became official on 31 May. To give a personal welcome to these new networks, check out the consultants page on IEEE-USA's website for contact information. IEEE-USA also offers step-by-step instructions about how to start a formal network. We encourage new consultants networks to register as Affinity Groups. After a group forms a network, it can take advantage of IEEE's branding and resources, and qualify for funding through IEEE Section rebates. If you don't see your consultants network's contact information listed on the IEEE-USA website, contact Daryll Griffin at d.r.griffin@ieee.org.

AROUND THE WEB

REQUIREMENTS UNDER THE *CORPORATE TRANSPARENCY ACT*

The *Freelancer Union* is reporting independent consultants should start educating themselves on upcoming reporting requirements for the *Corporate Transparency Act (CTA).* The ACT's purpose is to help FinCen (the U.S. Treasury Department's financial crimes unit) monitor the activities of businesses more closely, to reduce related crimes. This filing may apply to you — if you have a corporation, S-Corp, LLC, or any other entity created by paperwork filed with a Secretary of State office. Read more here.

HOW CAN I BE FINANCIALLY SECURE AS A FREELANCER/CONSULTANT?

A young consultant is seeking advice about how to save money working as an independent consultant. Young IEEE members and would- be consultants should check out the advice provide in this article from *The Cut* magazine.

THESE COURSES WILL SHARPEN YOUR KNOWLEDGE ON SIX EMERGING TECHNOLOGIES

This year is shaping up to be an active one for new and developing technologies expected to impact how engineers work in the areas of data privacy, IoT security, Wi-Fi 6, and more.

It's crucial for engineers to stay informed, be proactive, and invest in their career development — to ensure they can bring the most current information and best engineering practices to their workplace.

Here are some of this year's top technologies, along with accompanying educational materials from IEEE.

AVOIDING COMMON PITFALLS AS A NEW FREELANCER

This *Freelancer Union* advice column provides an excellent primer for new consultants. IEEE-USA has also provided numerous resources for new consultants. In our IEEE-USA Newsletter Archive you can comb through to find many articles providing pointers for new consultants. In fact, our very first issue is dedicated to providing advice to new consultants. In addition, we've done many webinars on the topic. Please check out one of our *Ask the Experts* webinars for great advice for new consultants. You can also read more from the *Freelancer Union* column.

U.S. HOUSE PANEL ADVANCES PROPOSAL TO REPEAL INDEPENDENT CONTRACTOR RULE

The U.S. House of Representatives Committee on Education and the Workforce advanced a proposal on 21 March to repeal the U.S. Department of Labor's (DOL) rule — making it harder for companies to classify workers as independent contractors, rather than employees, *Reuters* reported.

The committee approved the resolution in a 21-13 vote, making it eligible for full House consideration. There has been no movement on the resolution, since being placed on the House calendar.

The legislation challenges the DOL's rule implemented on 11 March, that uses a multifactor "economic reality" test to determine when a worker is an independent contractor.

Key Factors That Determine Professional Liability (E&O) Premiums

BY JIM JACOBSEN

Errors and omissions, or professional liability insurance, protects engineering technologists against claims of omissions, errors and negligence in their professional duties. Engineering technologists require professional liability insurance for several reasons. The most important of these is legal protection.

In the case of wrongful acts allegations, or lawsuits, the insurer can cover everything from expert witness fees and settlements — to court costs and attorney fees. Secondly, in many instances, professional liability insurance is also a regulatory, or client requirement.

Engineering technologists also work on complex projects that carry many internal and external risks. Despite attention to detail, risk of errors or mistakes still exist. Professional liability insurance acts as a safety net, keeping technologists protected from financial and legal expenses.

But when it comes to professional liability policy cost, why is insurance so much pricier for some engineers than others? The truth is, despite the similarities between different engineering disciplines, there's no one-size-fits-all policy for any one profession. Your insurance premiums are determined by a variety of factors that aren't always in your control, like your business or firm size, revenue, operations, claims history, and even your engineering specialty.

Here are key factors that determine professional liability (E&O) premiums.

TYPE OF BUSINESS

The type of engineering firm you operate in will dictate the rates the insurance company will apply. Different business or firm types will have different rates, due to claim experience and risk exposure. Rates can also be determined based on national loss data, as well as the insurance company's specific loss experience with each business class.

LIMITS OF LIABILITY

Typically, the more coverage needed, the more the insurance will cost. When you get professional liability insurance coverage, you'll choose the coverage limits you want in your policy. These limits can range between $250,000 and $5 million. Generally, higher limits will increase your insurance cost.

DEDUCTIBLE

You'll also choose your policy deductible when you get professional liability insurance. Your deductible is the amount you must pay before your insurance company starts covering costs. The higher the deductible, the lower the premium. So, if you have a low deductible, you'll have less out-of-pocket costs compared to a high deductible. You may want to ask for a few different options so that you can assess the cost-benefit of the various levels.

CLAIMS

Having a history of professional liability claims against your work or business can increase your professional liability policy cost. It's important to make sure your business has proper training and "best practices" programs to reduce the risk of making mistakes in your services.

AREAS OF PRACTICE/DISCIPLINE

An engineering technologist's areas of practice, professional discipline, or type of service provided can impact your premium. As such, high-risk projects typically warrant higher premiums. The level of involvement refers to the actual tasks a technologist does in a project. As a rule of thumb, the more actively involved a technologist is, the higher their premiums will be.

STEP RATE

Insurers implement step rating to recognize that the longer an engineering firm/technologist is in practice, the more exposure is created. Step rating allows insurers to match the premium charged to the risk of a claim being made.

As the carrier assumes more prior acts coverage, the premium increases incrementally. "Step factors" are generally applied to the premium. In the field of engineering, this process recognizes that the longer a given technologist is in practice the more exposure is created. This occurs due to the greater number of services provided, the number of clients served, and increasingly, related projects. Since each subsequent year of coverage represents a higher exposure, professional liability insurers use incremental rates or steps.

(See full Step Rate article on page 4 of the AICN Newsletter Q3 2023 here.)

REVENUE

With respect to business revenue, a recognized and accepted industry underwriting principle is revenue affects premiums. More revenue equates to more services provided to clients; thus, a greater chance for errors to occur leading to E&O claims. Revenues are then applied to a standard rate (specific to your business) to generate a premium amount. Simply put, the more revenue you or your business make, the more you'll likely be experiencing increased premiums to cover your professional liability risks.

The reality is: claims are often inevitable in a high-risk profession like electrical engineering. When it comes to insurance costs, it's not necessarily about who has more claims — it's about who has more severe claims. While all engineering disciplines are risky, some specialties might just be prone to more severe claims, given the nature of the work involved.

Unfortunately, there is always the temptation to cut costs by getting a cheaper policy — only carrying as much coverage as you need for a specific project, or going without it altogether — especially if you're just consulting on the side, or starting your own business.

But operating without insurance — or with insurance that doesn't meet your specific needs, is a risk you should never take. You never know when you'll be hit with a claim; and if you are, you'll have to shoulder the costs out-of-pocket. It only takes one claim to damage your professional reputation. And once you have one, it'll be even harder for you to qualify for insurance in the future.

IEEE consulting members, and those considering the opportunity to become self-employed; or even those considering undertaking a single consulting project, should learn more about their exposure to risks and ways to mitigate exposures with contracts and insurance, in addition to prudent business practices. These resources can be found in the IEEE Risk Management Hub. Information about professional liability insurance, and related policies, as well as online application for coverage are at IEEEinsurance.com. ■

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demands of your professional and personal life, and daily paths no longer crossing. Losing touch happens.

Whether you are new to consulting, or have been consulting for years, it is common to need help from someone with whom you've not connected with in quite some time. Reaching out to that person can be awkward and feel uncomfortable.

I remember the first time I needed to reach out to an old connection. I hedged to ask for help because I didn't want to be seen as the person who only reaches out when they needed something. But a good colleague reminded me that the worst thing that could happen is the person ignores the e-mail, or says no.

No matter how long it has been since you corresponded, most people are open to helping a person. But it also means you, the consultant, need to be sensitive to the situation, and be apologetic for losing touch.

RE-ESTABLISHING A RELATIONSHIP.

Here is my process for re-establishing a relationship.

- Start by communicating with the person **using their preferred communication method.** If they prefer e-mail, use e-mail. If they prefer phone calls, call them.
- Send an e-mail (or call) **acknowledging you have fallen out of touch.** In the subject line, I've used words as "Mea Culpa. I'm sorry I've been out of touch." Or a simple, "Are you open to reconnecting?" I'm not the best with humor, but if your relationship is informal, consider using a use a humorist quote such as: "Boy, time sure flew. Where has it gone?"
- **Apologize for being out of touch**. Provide a brief update to let the person know what has been going on with you professionally. If appropriate, don't hesitate to provide a personal update.
- Ask if they are open to helping you, but also **provide them with an out,** such as: "I'm sure you are busy. I understand if it is not a good time." Then, explain why you are asking them for assistance. Don't hesitate to say that based on your research, you believe they might be able to help you with an introduction (or maybe it is background information on a person, an industry, or an event.) Be confident in your ask, but be respectful of them and their time.
- If they say YES, **make it easy for them by providing what they need to help you.** If you are asking for an introduction, write the introduction e-mail message for them. Better yet, before you even reach out, write the message.
- **Try to reciprocate** by asking what you can do for them. The ask could be as simple as "What can I do right now that is helpful for you?" If they respond with a "nothing right now" — let them know that they shouldn't hesitate to reach out in the future.
- **Never forget to thank them for their time and help.** The thank you can be a handwritten thank you note, or a small gift. Additionally, thank them by letting them know how their help helped you. Did that introduction to that great prospective client materialize into the creation of a proposal?
- Finally, the most important last step — **add them to your Remain in Touch Relationship Strategy.** You don't want to fall out of touch again.

CONCLUSION

Reaching out to a person that you've not spoken with in years and asking them to help you can feel awkward and uncomfortable. There is no way around that feeling.

But it is important for you, a consultant, to learn how to put the discomfort behind you and reconnect. Reconnecting is part of networking; and the better your network, the easier it is to grow your business. However, reconnecting requires, you to be sensitive to the situation; be apologetic; and be gracious in your approach. It also requires you to take the time to ensure you and your "ex" don't fall out of touch again.

If you found this article helpful consider following Ms. Burford at www.laurasconsultingguide.com or on her Youtube Channel. ■