

Tough times lead many into virtual work world

by **BY EMMA L. CAREW/WASHINGTON POST**

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Michael Hanik used to have 12 employees, a warehouse and trucks to run his medical devices catalog company.

But four years ago, he turned to the internet to look for ways to reduce overhead costs for his Rockville, Md.-based Total Medical Systems. He now has just three employees on the company payroll but as many as 50 contractors working for him, some of them known as "virtual assistants."

The term, around since the internet became widely available, encompasses anyone who telecommutes and does administrative tasks for other businesses, usually on a contractual basis. Most do tasks such as document preparation, paperwork and accounting. Some have niche areas, such as bilingual translation or creative services.

In the current economy, Jane Weizmann, a senior consultant at Arlington, Va.-based human resources consultant Watson Wyatt, said she's seeing more businesses with a "part-time cadre or network of people" who telecommute and bring different skill sets to projects as needed.

"It's a lot less expensive than having resources on staff, sitting on the bench and waiting," she said.

Virtual assistants allow firms to save on real estate and equipment, as well as on benefits, which can add 35 percent to a base salary, Weizmann said.

She cautioned, however, against businesses relying entirely on outsourced work and contractors. The high levels of turnover can create an unstable work force.

"You can supplement your core capability, but you can't replace it completely with 100 percent outsourced work," she said.

The numbers are difficult to track, because there is no formal certification and not all people doing similar work call themselves virtual assistants, but one small trade group, the International Virtual Assistants Association, said its number of new members doubled from 2007 to 2008. To date this year, IVAA has added 160 new members, bringing membership to about 900.

With no warehouse space to rent, no salaries or health benefits to pay, and no supply cabinets to keep stocked, Hanik estimates he's decreased his business costs by 65 percent through outsourcing and using virtual assistants.

"It's a tremendous revolution," he said.

IVAA officials say the number of virtual assistants is increasing as companies lay off their administrative and executive assistants. Plus, the barrier to entry is low, because most people already own the equipment they need, such as computers, printers, fax machines and internet access.

"You meet people at the conferences who say, 'Oh, after I was laid off four times, I decided to become a virtual assistant,'" said Lauren Hidden, marketing director for IVAA.

That's exactly what Kim Lazernik of Silver Spring, Md., did. Lazernik has definitely taken a pay cut since starting her own firm. She now works about 20 hours per week, charging \$35 to \$40 per hour. But, she says her expenses for the business balance out with the money she saves on commuting and career clothing.

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