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Small Businesses Using Technology To Level Playing Field

By Lisa Ray –Reporter

The virtual business model could be the trend that turns small businesses into the David that knocks Goliath corporations off the playing field. Or at least it might give small businesses a chance to enter the playing field without the corporations having the home-court advantage.

With virtual communications technology, small business can seem larger than they really are and reach customers all over the world without leaving their home or office. The attraction of the virtual business model for small businesses has grown over the past few years because it is an inexpensive way to achieve lofty goals.

During the faltering business climate that followed the Sept. 11 terrorist attacks, Sonia Clayton - founder and CEO of Houston-based Virtual Intelligence Providers - created her own business model based on the elements of virtual technology.

When the corporation that Clayton worked for downsized in 2001, she and many of her fellow workers lost their jobs. That was the jolt Clayton needed to realize that the business world was changing. She decided to create a new kind of company.

"America got very used to a traditional business model," Clayton said. "After 9/11 took place the traditional business model wasn't working."

With a \$5,000 loan and a good work ethic, Clayton started VIP <http://www.vip-global.com> an information technology and consulting company. Working from her home with three computers and one employee, Clayton has turned VIP into a highly successful business that serves high-end companies including Hewlett Packard, Shell International, Baker Hughes International, Toyota/Lexus and Continental Airlines.

VIP saves money and time by using virtual connectivity models, video conferencing and remote administration to communicate with each other and serve their customers.

This model cuts down on costly leasing space and travel expenses for both the company and its clients. The company's low overhead allows it to set competitive prices, thus giving VIP the advantage over similar businesses.

"I have increased revenue because I get volume," Clayton said.

VIP leases a small workspace where five employees spend their day. The rest of VIP's 55 consultants are scattered throughout the United States with one in Mexico and another in Brazil. Clayton said VIP workers "trade the comfort of the business world for the comfort of their homes."

The VIP team communicates through an online database that allows each individual to access the company's server remotely through the Internet. The company's recruiting, payroll and purchasing is all done online as well, most often from the home of one of the team members.

VIP customers take advantage of the online applications as well. For example, if VIP is customizing software for a company, that company is able to check the progress of the software development 24 hours a day, 7 days a week online.

"The clients and the rest of the team can view a project as if they were looking over my shoulder," Clayton said.

Clayton said many of VIP's clients often use the virtual communication model for their consulting projects to save on travel and hotel expense for the consultants. If the project can be done from the consultant's home with the client "virtually" looking over their shoulder then the client often saves hundreds of dollars in travel accommodation and billable hours.

When the VIP consultants do travel to their clients, they are careful to keep expenses low. "We have a very frugal policy to manage the client's money," Clayton said.

Using virtual communication and information-sharing technology also helps VIP consultants save time and get their jobs done quickly.

"There were bigger agencies that we used in the past that we don't get the response from," said Kelly Cook, director of customer relations management for Continental Airlines. "You have the ability to react pretty quickly."

Cook said VIP has resources 24 hours a day. "They also understand the sense of urgency," Cook said.

While saving money and time through virtual communication technology, VIP is careful not to sacrifice quality.

"She (Clayton) feels that in order to be successful in her business she needs to build relationships," Cook said. "That different paradigm is so important."

Another advantage to the virtual model is the flexibility it creates for the employees.

"Truly money isn't everything," Clayton said. Some of VIP's consultants take a substantial pay cut to work from home, she said. While VIP's consultants work an

average of 42 hours a week, their proximity to their home allows many to do what they could not do in the corporate world.

Among the company's employees are single parents and those who need to take care of loved ones in the home, as well as persons with physical disabilities who appreciate the flexibility the virtual model offers.

"In the corporate world, you're stuck. You have to be there, sitting at a desk." Clayton said. "We don't work that way."