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Virtual Assistance Is Hot New Industry in Stockton, Calif., Area

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Feb. 2--It's 9 a.m., and Michelle Ulrich, dressed in jeans and a sweater, is sitting, along with her one-eyed cat, Whiskers, in front of the computer where Ulrich is just beginning her workday to the sounds of Creed at full volume.

But her boss doesn't mind Ulrich's start time, attire, animal companion or music because she isn't there; her company is likely to be in another city, state or country.

Ulrich, who does business in Citrus Heights as Reflections of You, is one of an expanding number of virtual assistants, often called Vas, now found virtually everywhere, including Stockton and the surrounding area.

The eight-year old home- or small office-based business, fueled by advancing technology, downsizing corporations and increasing specialization and outsourcing, is becoming a hot new industry.

Unlike telecommuters, who work for one employer, doing some of the work at home, virtual assistants use technology to offer off-site administrative, creative, personal and technical support services that do not require face-to-face contact -- desktop publishing, tape transcription, database management and Web design, among others -- for an array of clients in short- or long-term, collaborative relationships.

"It's a paradigm shift where people are trying to find the cheese," said Robert Brenner, president of San Diego-based Brenner Information Group, a pricing consultancy researching the virtual assistance industry.

Because virtual assistants are independent contractors and not all become certified, their numbers are hard to track. Current estimates count about 1,500 worldwide. Although most virtual assistants are found in the United States, with the largest industry representation in California and Texas, at 18 percent and 9 percent respectively, such practitioners can be found in countries including Australia, Canada and England.

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"We use our membership as an indicator of industry growth," said Angela Allen, president of the International Virtual Assistants Association, a nonprofit founded in 1999 that certifies and promotes the use of virtual assistants.

Between 1999 and 2002, association membership soared more than 600 percent, but growth is expected to slow to a sustainable level of less than 100 percent per year, Allen said.

And while 99 percent of industry practitioners are currently females, the gender mix will shift as virtual assistants move from being generalists to specialists, she said.

For Ulrich and other virtual assistants, the payoff is improved quality of life.

"Although I work more than I ever did, being a virtual assistant has provided flexibility for my family and me," said Ulrich, who for 17 years was in retail sales and administrative services before venturing out on her own nine months ago.

For employers, the advantage is in increased productivity and reduced costs, with opportunities for outsourcing a wide range of tasks -- from simple to complex -- without incurring the costs associated with hiring a permanent employee.

"I was struggling with taking care of the business side of running my business. While I was doing proactive activities to grow clients' businesses, I was not doing that for myself. I felt like I was drowning," said Melissa Shults, owner of MHS Marketing in Fair Oaks.

Shults turned to Ulrich and another virtual assistant, Sharon Broughton, who provide administrative services, including technology and customer support.

"Now I get to spend time on strategic planning and the vision for my company," Shults said.

Working with Ulrich and Brouhton has also brought her personal life and professional life into better balance.

"I'm no longer consumed with work on my off-time," Shults said.

In spite of the advantages such outsourcing provides to employers, the concept has not been widely embraced by San Joaquin County businesses, said virtual assistant N. Joanna Foor, who has for two years operated as Foor Creative from her dedicated home office in Stockton and has had clients from as far away as Singapore.

Although local real estate agents have begun using assistants, they work in-office, not virtually, said Frank Orello, sales manager for Coldwell Banker Grupe in Stockton, who was unaware of the now common practice of outsourcing work to virtual assistants among agents in the Bay Area and Southern California.

Foor, who has a two-year computer technology degree from a technical college, 16 years' experience in the financial planning and marketing industries, and holds a Master Virtual Assistant certification, gave up her \$35,000 salary two years ago to build her business, which is focused on a mix of multi-media and graphic design, marketing and

administrative services.

Supporting those tasks is an array of technology, from two computers with high-speed, business-class Internet access to a wide-format photo quality ink jet printer.

Like Ulrich and other virtual assistants, Foor typically secures clients through word-of-mouth recommendations and networking efforts.

"People have to get to know you to do business with you, Ulrich said.

Foor blames the void in local clients on a lack of understanding about the still-new virtual assistance business model and its rate structure.

While most virtual assistants charge between \$25 and \$35 per hour, with those rates often discounted for clients willing to pay a retainer, those with expertise in the real estate, legal and financial arenas, among others, can demand much more.

But in San Joaquin County where, according to the U.S. Census Bureau's 2002 American Community Survey, the median hourly wage for a full-time year-round female worker is under \$14, hourly charges such as these might seem excessive.

Shults has figured the savings.

"If I hire an employee for \$20,000 or \$25,000, I'm going to add another \$12,000 on top of that for overhead, workers' compensation and equipment. With a virtual assistant, I'm not going to deal with workers' comp or other benefit issues, and she's already trained," Shults said.

In 2003, the highest paid virtual assistance business brought in \$280,000, but the average yearly income for virtual assistants was \$29,824, down 4 percent from 2002, according to preliminary data from the Brenner Information Group's survey.

However, the Brenner survey said those in the industry remain optimistic, expecting to average about \$39,500 in 2004.

Foor, who said she is "still a little under" what she was previously earning, hopes to add two additional clients and to raise her billable hours to 60 per month, while Ulrich, who focuses on providing contact database management and customer support services, hopes to eventually have over 100 billable monthly hours.

Ulrich is hopeful, having just recently signed several new retainer and project contracts.

"I've always heard it takes a year to build a business," she said.

Allen suggested that companies considering outsourcing work to a virtual assistant should ask about education, experience and certifications and collect references and work examples.

"The client must do due diligence," Allen said.

Ultimately, Ulrich said, being a virtual assistant is about customer service.

"When a client doesn't feel valued, they will take their business elsewhere she said.

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