



The Slice

A Potomac Indexing Quarterly eNewsletter

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WELCOME...

by Richard ShROUT

Welcome to the first issue of *The Slice*, a quarterly newsletter for associates, business partners and clients of Potomac Indexing, LLC. Our goal is to keep you informed of developments affecting our growing network of professional independent indexers, and to encourage greater communication across the network.

The Slice will be packed with profiles of associates, stories about projects the network has taken on and advice on ways our associates can improve their own indexing practices. We'll also provide tips and advance notice of training available to improve our skills in the techniques and evolving technology of indexing. **We look forward to your contributions and feedback. Please contact us at info@potomacindexing.com or by contacting any one of the four partners.**

Each issue will be helmed by one of the four PI partners (See "*Pioneers*," *this page*), putting their stamp on the content and tone, but over time, we hope the company's collective personality will emerge. For this inaugural issue, founding partner Richard ShROUT explains the history and vision of PI, and highlights the revolutionary path the company is forging to meet the changing dynamics of the publishing and information management industries. Our first associate spotlight feature is, fittingly, PI's first associate, Pilar Wyman.

We hope you find *The Slice* both informative and entertaining. ■

THE LIFE OF PI

by Richard ShROUT

Potomac Indexing first took shape as a partnership between indexing colleagues, Mary Coe and myself, about three years ago. We had worked together on several projects over the years and found we made a good team, despite several built-in obstacles – I use SKY, Mary uses Cindex; I rarely use more than one level of subheadings, Mary uses three or four on a regular basis as a medical indexer. We learned that trust and a willingness to compromise quickly...[page 2](#)

ASSOCIATE SPOTLIGHT

Associate Profile: Pilar Wyman

Can mere coincidence explain the fact that Potomac Indexing's first associate is named PI-lar Wyman? Yes, actually. PI's founding partner Richard ShROUT had admired Pilar's skills as an indexer for many years before he thought up the name for his fledgling company. He calls her "the world's fastest indexer," and labels her style "ethereal." They'd met many years ago through their involvement in the American Society for Indexing.

Because of his high regard for her, Pilar was the first person ShROUT approached two years ago to describe the company he and Mary Coe had just established. He was pleased that someone who has such a successful, established business would find an associate relationship economically appealing, and both report that the relationship has been mutually rewarding ever since.



Pilar has been creating indexes for 25 years, with some 900 titles on her professional shelf. She entered the field almost accidentally, when working part-time in college as a typist and was hired by a professional indexer. She was intrigued by what her client was doing and the relationship evolved into an apprenticeship. Once she'd learned the fundamentals, she launched into indexing full-time on her own.

Since 1990, she's been indexing mostly full-time, but when her kids' school needed a librarian, she dialed back on the indexing to part time, and went to work there for five years. It's meant putting her indexing business on hold for periods of time, but this enabled her to be involved in her kids' education. She's picked up indexing again, and is delighted to be associated with PI. "It gives me the freedom to take or leave an assignment," she says. As to her style, she's not sure she earns ShROUT's compliment as the world's fastest indexer, but she admits when pressed that she's been clocked at...[page 3](#)

PIONEERS

Who We Are and How We Work

Potomac Indexing (PI) is led by four equal senior partners with a collective indexing experience of more than 50 years. We have divided responsibilities according to our individual talents and backgrounds.

Co-founder **Mary Coe** is taking the company global, building a client base in Australia. She also assists with infrastructure matters such as updating the databases with associates' profiles and their capabilities. In more than



15 years of indexing, she's worked on hundreds of books and journals in a wide variety of topics, with a concentration in medical indexing, including work on the National Library of Medicine's Medline database. Mary has led database and XML workshops for professional indexers. She is now Secretary of the New South Wales branch of the Australian and New Zealand Society of Indexers (ANZSI). She lives in Sydney, Australia, where she's an active soccer player.

Seth Maislin is PI's rainmaker and chief negotiator. He is also deeply involved in education and is our chief technology expert. He specializes in making the impossible look easy, having served as president of the American Society for Indexing in 2007 while working as a full-time indexer, information architect and IA consultant, taxonomist, and instructor for more than 15 years. He lives and works near Boston.

Kay Schlembach oversees the marketing and education areas of the company. She also manages large ongoing accounts such as John Wiley & Sons. She's indexed hundreds of books since taking up the profession in 1996, as well as teaching a popular "Practical Introduction to Indexing" workshop. She's a past director of ASI and full-time indexer, focusing on businesses and professional books, textbooks, and general topics from allied health to zoology. Kay is based near Houston, where she's an avid gardener and amateur naturalist. [page 2](#)

overcame these apparent obstacles. We also discovered that we had different strengths that we could exploit by working together. And we could spread out the work that was arriving to one of us in bunches by passing along a project as necessary.

About three years ago, Mary and I started talking seriously about working together in a more structured arrangement. From the very beginning we recognized the importance of integrity and friendship, the management of different software packages, helping each other with workload emergencies, and optimization of strengths.

Mary and I set out to devise the best possible business model for our fledgling idea of a new indexing company. I have been fascinated by human organizations during most of my adult life, having learned a lot during my career in government service about what constitutes both good and bad in an organization. After much discussion, we determined that an equal number of men and women would be best and decided to start with two of each. Four equal partners could attract large projects and handle a breadth of subjects. As PI expands, no doubt, additional partners will join, and there won't be any kind of quota after this initial phase. I do think that starting out with balance has been essential to our early success. (See "Pioneers," page 1.)



Richard Shrout

Birth of a network



During an early meeting with an important customer, I was asked how many books we could index per month. I didn't have a good answer for that question, and I realized that we were not thinking big enough. I set out to find associates to work with us. At the Society for Technical Communication conference two years ago in Las Vegas, I described this concept to Pilar Wyman, one of the best medical indexers in the country with a thriving business of her own. (See "Associate Spotlight," page 1.) I wasn't trying to recruit her, I only sought her opinion as a colleague, but to my surprise, she said, "That really fits what I need to do right now. I could do that!"

Pilar became the first associate recruited. She has fulfilled many projects for the network and has also brought us business. Whenever possible, we try to create a win-win situation so that customer, associate, and PI all feel fairly treated and create/receive a quality work product. Since then, our network has expanded to several dozen associates, and we intend to grow organically as incoming projects demand specific skills or scale.

The partners have made the conscious decision not to include any kind of non-compete requirement in the associate agreement with PI, although we do insist on confidentiality of proprietary information. The confidentiality agreement is part of our overarching code of ethics, which provides guidance regarding the day-to-day issues of confidentiality, competition and, perhaps most important, customer service. As regards this newsletter, we do not intend to publish anything proprietary here, so you are welcome to pass it along to colleagues, business partners, or potential customers. On occasion we may include links to proprietary information, but those links will require some type of password, available only to associates.

Over the past couple of years, through changes to the associate agreement and after many discussions, the gist of the agreement maintains the associate's status as an independent contractor. This is an important principle in PI's structure. We expect our associates to be working on other projects for other customers, and it's OK for an associate to say no if they are too busy working for others, or even to hand off a project gracefully when unexpected life circumstances arise. We hope that associates will work for us often, but only when it is mutually agreeable.

Growth and expansion

The original four-way partnership formed in 2006 dissolved about a year later for various reasons. But Mary and I decided that we really were onto something...page 4

Co-founder **Richard Shrout** is the infrastructure manager, which makes him the liaison to support service providers like the lawyer, accountant, bookkeeper, QuickBooks expert, and bankers. (See "Supporting Cast," page 3.) He deposits incoming checks and signs outgoing ones. He also is responsible for developing the company's new databases with an IT expert. He prepared for this role during 30 years of federal service as a contracting officer buying publications and running computer systems in federal libraries. He is Treasurer and a past director for ASI. Richard is based in the Washington, D.C., area, where he's an avid table tennis competitor.

PI also is developing team leaders to help manage projects in certain specialties. The legal team is the first to be formed, as none of the partners has expertise in that area. Katie Banks is Team Leader and Jan Stone is Assistant Team Leader. We anticipate creating other teams in the future.

How we work

Jobs can come in to any one of us. One of the advantages of having four equal partners is to allow associates or clients to contact the one of us you are most comfortable with. We each have the authority to accept a job on the spot or reject one, which may happen if the rates are too low. Depending on the job, one partner might pass it on to another with more experience in that area.

Once we decide on a manager, we turn to our database of associates to determine who could best provide a quality product for a particular job. We will use information in the database and any other experience we have to make this determination. Typically, we start with someone who has done a good job with that customer on a previous job. Now, since our associates are very good indexers and very busy, sometimes someone who did well on a previous job with that client is not available, so we move on to someone else. As with projects from new customers with no previous track record with our associates, this process provides ample opportunity to break into the lineup.

This is why it's important for associates to fill out our skills questionnaire thoroughly because it helps us match associates with the right assignments in our database search. page 3

“It’s nice to be able to share and refer business, and turn to other indexers for advice on a project without fear of losing clients.”

typing 200 words per minute, and that she likes to create indexes without doing a lot of mark-up. She does some electronic indexing now – her specialties include technology texts as well as medical and related industries – but she prefers working with the printed page.

“I like to start with a quick scan of the pages, physically handling each page,” she says. “Then I sit down and start typing, making a few quick notes about page ranges and tables.”

She credits her success in maintaining long-term relationships with publishers and authors in part to her speed, but also to the style of the indexes she produces. She strives to match to the author’s style, while still giving them utility and structure. She’s especially happy when her indexes are “all of one piece and elegant.”

It’s not surprising, then, when she reveals that she was a math and philosophy double major in college, at St. John’s College in Annapolis. Her early career included working for a Middle East news bureau chief in Cairo (she’s a native of

Beirut, and moved to Annapolis as a teen). And she also tried her hand at accounting, but it didn’t suit her. She says, “I love the flexibility of working for myself. As a morning person, I like to get up early and use that time to get things done for myself.”

Although a very self-directed person, she’s enjoying being an associate of PI now that her life is so busy. She and her husband are raising two kids and she enjoys lots of hobbies, including yoga, running, sailing and, lately, lessons in drumming. “It’s nice not to have to manage the client relations, negotiate the deadlines and rates,” she says. She also notes, “It’s nice to be able to share and refer business, and turn to other indexers for advice on a project without fear of losing clients.”

Still, Pilar keeps a national profile as an instructor in training workshops and presentations on indexing and related topics. She’s also a frequent contributor to ASI’s *Key Words*. Her work can be viewed on her own company’s website, www.wymanindexing.com. ■

Thus far, our system is working well, but we appreciate any suggestions you might have, especially for improving our system for knowing when associates are available. Let us know if you have any suggestions.

Note to the members of the legal team: Shortly after you receive this newsletter, you should receive a detailed survey related to your legal skills and expertise. Please be aware that we are maintaining two separate databases, one for legal indexing and one for other types of indexing. To be considered for jobs besides legal ones, you need to be sure to fill out our basic questionnaire as well. If you have any questions about this, contact Richard Shroud. He is the partners’ liaison to the legal team.

Each project manager or team leader is responsible for sending the PI invoice to the customer. Associates should send their invoice for each project to the project manager. The project manager is responsible for sending the PI invoice and any associate invoices to PI’s bookkeeper. The bookkeeper currently pays the associates once the check has been received from the customer. However, we are beginning to change this policy to payment in 30 days or less. See the *News Flash* article on our new payment process on the last page of this newsletter. ■

SUPPORTING CAST

It’s not easy being an innovator...it’s taken a fair amount of trial and error to set up Potomac Indexing as a virtual company, according to co-founder Richard Shroud. One of the most surprising aspects of PI’s evolution has been the number of support professionals required, he says, as well as the difficulty of finding those who understand its unique needs. For example, PI is on its second CPA and attorney. Both have been working with the company for nearly a year now and are a good fit for the business.

“We knew that we needed an attorney and a CPA, and we needed them to be both affordable and expert in small-business practices,” Shroud explains. “They both played absolutely critical roles in the early development of PI, helping us determine how to merge the original company with the new company and moving the business from Virginia to Maryland while retaining the company name and EIN number.”

Another area in which a difficult search resulted in a strong relationship is banking. Shroud discovered the hard way that banks provide wildly different levels of service to small businesses. “Our current bank, based in Maryland, is the third one that we have done business with during our short history. It is totally dedicated to serving the needs of small and medium-size businesses in the D.C. area, offering both state-of-the-art technology and access to senior officials,” he says. “We are able to deposit most checks we receive the same day by scanning them. Even though our average balance was not high enough early on, the bank’s officials took a chance and didn’t charge us for the scanner. These close relationships were also instrumental in approving a line of credit, enabling our new associate payment system.” (See “*Network News Flash*,” back cover.)

The supporting cast doesn’t stop there. In the accounting area, PI works with two other key professionals, a bookkeeper and a QuickBooks expert, who also reconciles the company’s bank accounts so that the CPA can easily prepare its income tax returns. PI has a Web site design and support expert, as well as an IT/database expert, who is assisting with transitioning the company’s databases to a WebEx platform, which provides greater security and power. And to publish this newsletter, PI recently added a design editor and a writer to its team.

Shroud concludes, “No doubt we will find other areas where we need the expert support of professionals. Currently, we have the best people we could find working for us, and that we are most fortunate to be in that situation.” ■



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bigger than the two of us, and decided to try again with two additional partners. We chose Kay Schlembach and Seth Maislin because they were both extremely successful with their own indexing businesses and because we felt that they both had strengths that would be important to the ongoing growth of PI. We invited them to join us and Potomac Indexing, as presently constituted, began officially on August 1, 2007. We saw our first substantial quarterly earnings in the fourth quarter of 2007.

The four senior partners really enjoy working with each other, especially our weekly phone meetings, and that has led to outstanding results. With the help of our associates and customers, we continue to find new, unanticipated revenue streams and to cultivate ongoing ones. We have organized our efforts to highlight our mutual strengths and we are continuing to improve our internal procedures. (See "Virtually Yours," at right, and also "Supporting Cast," page 3.)

The little company that began as the germ of an idea in Mary's kitchen in Rockville, Md., is now expanding internationally. When Mary moved her family to Sydney, Australia, in December 2006, she immediately started seeking local indexing work. Networking proved to be the most effective method of building the business, and she was surprised to find clients through such diverse means as joining a soccer team and the local Zonta club. The Australian business is growing exponentially, and one of our goals for next year is the creation of PI Down Under as a subsidiary.

Current strengths and future outlook

PI has always been strong in two particular areas: computer and medical indexing. In the computer area, we are experts on the Microsoft TIM system, XML indexing, databases, and the more traditional types of embedded indexing. In the medical area, Mary and many associates are expert medical indexers; we could field a team of 10 medical indexers or more if needed.

During the past year we have put together a legal team that is arguably the best freelance team available both in terms of expertise and the number of associates involved. We just completed a pilot project for a large legal publisher. As that specialty develops, we intend to train additional legal indexers. Given the pressure for profits facing legal publishers, we believe that more and more legal indexing will be outsourced to freelancers. Two other areas of expansion include school textbooks and projects for large corporations.

Our associates are our greatest overall strength and marketing channel. **Any associate who brings a customer to us will have first dibs on that project and any additional work coming in from that customer.** Giving a client a good alternative when an individual indexer is too booked or a project is too large in scope is just good business. It creates a win-win situation.

We also treasure long-term relationships with our customers. Given the depth and breadth of our associate network, we should always be able to prepare quality, on-time work. We should never have to say no, except when the rates are too low. We produce indexes of the highest possible quality and need to pay our associates well. Since we are a virtual company, our overhead rates are very low.

Efficient project management is PI's key innovation, especially on large projects. Our goal is to ensure that most of the money for a given project flows through to the actual indexers and the project managers. For further information on this subject see below for the article on PI's improved payment policy.

In this first issue of *The Slice*, my goal is to provide a comprehensive overview of our foundation and operations. In future issues, we'll delve into more examples of what makes PI special, particularly through features on our associates, in-depth case studies on special projects and profiles on some of our key clients. We look forward to your contributions and feedback. ■

VIRTUALLY YOURS

As a virtual company, Potomac Indexing represents a business model for the future. To understand how PI operates, let's start with what PI is not. PI has no employees, no office locations, no inventory, and no need for managing cash. PI owns no physical property. As a result, the company has very low startup costs and low overhead.

PI is now building a WebEx capability both for training and for database management. (For further information on PI's databases, see "Pioneers," page 1.) Its accounting system is Web-based, so all partners have almost immediate access to the firm's financial status. Shroust says there are more tools under evaluation: "We are looking at Google calendars as a possible method for associates to post and update their availability, but we would welcome suggestions."

PI also has a descriptive Web site, www.potomacindexing.com, that establishes its presence on the Web. At this point in the company's development, Shroust says, the partners have chosen not to fully optimize this site for Internet search engine results, such as Google. "But when it's time to do so, we will seek our associates' assistance in an effort to optimize everyone's Web sites." ■



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NETWORK NEWS FLASH

PI Rolling Out Improved Associate Payment Policy



In August, we began testing a new system for expediting payment to associates in 30 days or fewer from the invoice date. Because our current system is working well, we'll roll out the new system gradually, once we've tested all the elements.

How it will work:

- 1) We will schedule payments online to be made 30 days from the invoice date, regardless of the date we receive payment from the client.
- 2) Once our associates have chosen direct deposit or payment by check, our bank will generate payments by an automated system, and PI will send notification in advance of each payment.

The senior partners have worked hard to make this new system possible. We look forward to hearing your feedback. ■