FORM 10-Q

TECHTEAM GLOBAL INC - TEAM

Filed: May 10, 2010 (period: March 31, 2010)

Quarterly report which provides a continuing view of a company's financial position

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2010

Commission File Number: **0-16284**

TECHTEAM GLOBAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**38-2774613**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

27335 West 11 Mile Road, Southfield, MI 48033
(Address of principal executive offices) (Zip code)

Registrant’s telephone number, including area code: **(248) 357-2866**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ■· No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ■	Non- accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ■

The number of shares of the registrant's common stock outstanding at May 1, 2010 was 11,228,296.

TECHTEAM GLOBAL, INC.

FORM 10-Q

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ITEM 1 — FINANCIAL STATEMENTS

TECHTEAM GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In thousands, except per share data)

	Three Months Ended March 31,	
	2010	**2009**
Revenue		
Commercial		
IT Outsourcing Services	$ 26,208	$ 27,718
IT Consulting and Systems Integration	2,920	3,904
Other Services	3,726	4,265
Total Commercial	32,854	35,887
Government Technology Services	15,156	20,218
Total revenue	48,010	56,105
Cost of revenue		
Commercial		
IT Outsourcing Services	20,271	21,265
IT Consulting and Systems Integration	2,369	2,968
Other Services	2,805	3,159
Total Commercial	25,445	27,392
Government Technology Services	12,111	14,785
Total cost of revenue	37,556	42,177
Gross profit		
Commercial	7,409	8,495
Government Technology Services	3,045	5,433
Total gross profit	10,454	13,928
Selling, general and administrative expense	10,637	10,592
Restructuring charge	3,144	—
Operating income (loss)	(3,327)	3,336
Net interest expense	(187)	(311)
Foreign currency transaction gain (loss)	196	(235)
Income (loss) before income taxes	(3,318)	2,790
Income tax provision (benefit)	(665)	1,140
Net income (loss)	$ (2,653)	$ 1,650
Basic earnings (loss) per common share	$ (0.25)	$ 0.16
Diluted earnings (loss) per common share	$ (0.25)	$ 0.16
Weighted average number of common shares and common share equivalents outstanding		
Basic	10,662	10,588
Diluted	10,662	10,613

See accompanying notes.

TECHTEAM GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	March 31, 2010	December 31, 2009
ASSETS	(Unaudited)	
Current assets		
Cash and cash equivalents	$ 14,210	$ 15,969
Accounts receivable (less allowance of $1,039 at March 31, 2010 and $1,315 at December 31, 2009)	43,557	44,314
Prepaid expenses and other current assets	4,534	3,766
Total current assets	62,301	64,049
Property, equipment and software, net	5,470	6,231
Goodwill and other intangible assets, net	46,770	47,270
Deferred income taxes	3,995	3,940
Other assets	831	1,030
Total assets	$ 119,367	$ 122,520
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	$ 4,064	$ 4,074
Accounts payable	6,185	5,130
Accrued payroll and related taxes	9,620	8,486
Accrued expenses	5,900	5,237
Other current liabilities	2,694	4,168
Total current liabilities	28,463	27,095
Long-term liabilities		
Long-term debt, less current portion	9,831	11,051
Other long-term liabilities	786	745
Total long-term liabilities	10,617	11,796
Shareholders' equity		
Preferred stock, 5,000,000 shares authorized, no shares issued	—	—
Common stock, $0.01 par value, 45,000,000 shares authorized, 11,222,719 and 11,118,309 shares issued and outstanding at March 31, 2010 and December 31, 2009, respectively	112	111
Additional paid-in capital	80,290	79,762
Retained earnings	73	2,726
Accumulated other comprehensive income (loss)	(188)	1,030
Total shareholders' equity	80,287	83,629
Total liabilities and shareholders' equity	$ 119,367	$ 122,520

See accompanying notes.

TECHTEAM GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)

	Three Months Ended March 31,	
	2010	**2009**
Operating activities		
Net income (loss)	$ (2,653)	$ 1,650
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,399	1,688
Non-cash expense related to stock options and issuance of common stock and restricted common stock	608	568
Other	1	6
Changes in current assets and liabilities	1,124	3,548
Changes in long-term assets and liabilities	224	(260)
Net cash provided by operating activities	703	7,200
Investing activities		
Purchase of property, equipment and software	(135)	(671)
Cash paid for acquisitions, net of cash acquired	(125)	(126)
Net cash used in investing activities	(260)	(797)
Financing activities		
Other	(78)	(11)
Payments on long-term debt	(1,231)	(3,152)
Net cash used in financing activities	(1,309)	(3,163)
Effect of exchange rate changes on cash and cash equivalents	(893)	(212)
Increase (decrease) in cash and cash equivalents	(1,759)	3,028
Cash and cash equivalents at beginning of period	15,969	16,881
Cash and cash equivalents at end of period	$ 14,210	$ 19,909

See accompanying notes.

Note 1 — Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by TechTeam Global, Inc. ("TechTeam" or the "Company") in accordance with United States generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by United States generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included, and such adjustments are of a normal recurring nature. Operating results for the three months ended March 31, 2010, are not necessarily indicative of the results that may be expected for the year ending December 31, 2010. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

Note 2 — Comprehensive Income (Loss)

Comprehensive income (loss) is defined as net income and all non-ownership changes in shareholders' equity. For the Company, comprehensive income (loss) for the periods presented consists of net income, the foreign currency translation adjustment and net unrealized gain on derivative instruments. A summary of comprehensive income (loss) for the periods presented is as follows:

	Three Months Ended March 31,	
	2010	2009
	(In thousands)	
Comprehensive Income (Loss)		
Net income (loss)	$ (2,653)	$ 1,650
Other comprehensive income (loss) —		
Foreign currency translation adjustment	(1,340)	(1,224)
Unrealized gain on derivative instruments	122	146
Comprehensive income (loss)	$ (3,871)	$ 572

Note 3 — Earnings (Loss) Per Share

Basic earnings (loss) per share for common stock is computed using the weighted average number of common shares excluding unvested restricted shares and shares held in escrow in connection with the Company's acquisition of RL Phillips, Inc. Dilutive earnings (loss) per share for common stock is computed using weighted average number of common shares and common share equivalents outstanding. Common share equivalents consist of stock options, unvested restricted stock issued to employees and shares held in escrow in connection with the Company's acquisition of RL Phillips, Inc. During the three months ended March 31, 2010, common share equivalents (including 1,867,992 stock options) were excluded from the computation of diluted earnings per common share due to the loss for the period. During the three months ended March 31, 2009, 2,179,100 stock options were excluded from the computation of diluted earnings per common share because the exercise prices of the options were higher than the average market price of the Company's common stock for the respective period.

Note 4 — Restructuring

On March 29, 2010 the Company announced a restructuring plan to reduce certain redundant costs, eliminate some excess capacity and support the Company's strategy to more tightly focus its business. The restructuring plan was approved by the Company's Board of Directors on March 23, 2010. The 2010 pre-tax restructuring charge amounted to $3,144,000, and was primarily related to separation costs for approximately 40 employees and reductions in excess leased facility capacity around the world.

The following table summarizes the accrued charges related to the 2010 restructuring plans:

	Accrued Restructuring Charges at December 31, 2009	Adjustments to Accrued Restructuring Charges	Cash Payments	Accrued Restructuring Charges at March 31, 2010
		(In thousands)		
Workforce reductions	$ —	$ 2,487	$ (457)	$ 2,030
Other	—	657	(136)	521
Total	$ —	$ 3,144	$ (593)	$ 2,551

The following table summarizes the 2010 restructuring charges by operating segment:

	Accrued Restructuring Charges at December 31, 2009	Adjustments to Accrued Restructuring Charges	Cash Payments	Accrued Restructuring Charges at March 31, 2010
Restructuring charges		(In thousands)		
Commercial —				
IT Outsourcing Services	$ —	$ 681	$ (11)	$ 670
IT Consulting and Systems Integration	—	328	—	328
Other Services	—	294	(54)	240
Total Commercial	—	1,303	(65)	1,238
Government Technology Services	—	139	(130)	9
Selling, general and administrative expense	—	1,702	(398)	1,304
Total restructuring charges	$ —	$ 3,144	$ (593)	$ 2,551

In 2009, the Company implemented a restructuring plan to improve global management consistency. The Company globalized its sales and solution design functions across all geographies. This created a redundancy of a senior executive in Europe. The 2009 pre-tax restructuring charge related to this action was $1,167,000 and was primarily for separation costs for one employee. The total 2009 restructuring charge relates to the selling, general and administrative expenses line item on the Consolidated Statement of Operations.

Note 4 — Restructuring (continued)

The following table summarizes the accrued charges related to the 2009 restructuring plan:

	Accrued Restructuring Charges at December 31, 2009	Adjustments to Accrued Restructuring Charges	Cash Payments	Accrued Restructuring Charges at March 31, 2010
	(In thousands)			
Workforce reductions	$ 162	$ —	$ (162)	$ —

During 2008, the Company announced corporate-wide organizational realignment and restructuring actions to improve operating efficiency, achieve greater global consistency and drive improved financial performance. The restructuring plans were approved by the Company's Board of Directors on May 21, 2008 and December 23, 2008. The 2008 pre-tax restructuring charges amounted to $5,719,000, and were primarily related to separation costs for approximately 80 employees and reductions in excess leased facility capacity around the world.

Due to the inherent uncertainty involved in estimating restructuring expenses, actual amounts paid for such activities may differ from amounts initially estimated. Accordingly, during the second quarter of 2009, the Company reversed $756,000 of previously recorded liabilities related to the 2008 restructuring plan. This reversal resulted from amending a lease for facilities in Europe to eliminate its obligation to pay for leased space that was vacated and expensed in 2008 by favorably re-negotiating the terms of the facility lease which lowered the expected exit costs.

The following table summarizes the accrued charges related to the 2008 restructuring plans:

	Accrued Restructuring Charges at December 31, 2009	Adjustments to Accrued Restructuring Charges	Cash Payments	Accrued Restructuring Charges at March 31, 2010
	(In thousands)			
Other	$ 156	$ —	$ (18)	$ 138

The following table summarizes the 2008 restructuring charges by operating segment:

	Accrued Restructuring Charges at December 31, 2009	Adjustments to Accrued Restructuring Charges	Cash Payments	Accrued Restructuring Charges at March 31, 2010
Restructuring charges		(In thousands)		
Government Technology Services	$ 151	$ —	$ (16)	$ 135
Selling, general and administrative expense	5	—	(2)	3
Total restructuring charges	$ 156	$ —	$ (18)	$ 138

Note 5 — Property, Equipment and Software

Long-lived assets are evaluated for impairment when events occur or circumstances indicate that the remaining estimated useful lives may warrant revision or that the remaining balances may not be recoverable. When this occurs, an estimate of undiscounted cash flows is used to determine if the remaining balances are recoverable. No events of circumstances were noted in the three months ended March 31, 2010 and 2009 which would require management to perform the noted analysis.

Note 6 — Acquisitions and Dispositions

Onvaio LLC

On May 30, 2008, TechTeam Global, Inc. completed the acquisition of Onvaio LLC (“Onvaio”), a California limited liability company. Onvaio is a provider of technical support outsourcing services for clients globally through its wholly-owned subsidiary, Onvaio Asia Services, Inc., based in Manila, Philippines. The initial purchase price totaled $4,787,000 and included acquisition costs of $400,000. In addition to the initial purchase price paid at closing, an additional $1,500,000 was placed into an escrow account and is payable in increments of $125,000 on the last day of each fiscal quarter provided that Onvaio is still providing services to its largest customer in substantially the same form and content as provided at closing. As of March 31, 2010, $875,000 had been released from escrow and paid to the selling shareholders. This additional amount is being recorded as goodwill as it is earned.

Note 7 — Stock-Based Compensation

The Company measures and recognizes compensation expense for all stock-based payment awards based on the estimated fair value of the award. Compensation expense is recognized over the period during which the recipient is required to provide service in exchange for the award. Stock-based compensation expense recognized in each period is based on the value of the portion of the share-based award that is ultimately expected to vest during the period. The Company's outstanding stock-based awards consist of stock options and restricted stock.

Stock Options

The Company recorded compensation expense totaling $334,000 and $314,000 related to outstanding options during the three months ended March 31, 2010 and 2009, respectively. At March 31, 2010 and 2009, there was approximately $1,641,000 and $2,842,000, respectively, of unrecognized compensation expense related to stock options. Unrecognized compensation expense at March 31, 2010 is expected to be recognized over a weighted-average period of approximately one year.

The Company records compensation expense for stock options based on the estimated fair value of the options on the date of grant using the Black-Scholes valuation model. The Company uses historical data among other factors to estimate the expected price volatility, the expected option term and the expected forfeiture rate. The risk-free rate is based on the U.S. Treasury yield curve in effect at the date of grant for the expected term of the option.

There were no options granted during the three months ended March 31, 2010 and 2009.

Restricted Common Stock

Compensation expense related to all restricted stock under all plans is recorded on a straight-line basis over the vesting period. The Company recorded compensation expense of approximately $274,000 and $224,000 related to outstanding shares of restricted stock under all plans for the three months ended March 31, 2010 and 2009, respectively.

The weighted average grant-date fair value of restricted stock granted under all plans was $6.91 and $3.76 for the three months ended March 31, 2010 and 2009, respectively. The fair value of restricted stock awards granted under all plans was determined based on the closing trading price of the Company's common stock on the date of grant.

At March 31, 2010 and 2009, there was approximately $3,028,000 and $2,466,000, respectively, of total unrecognized compensation expense related to nonvested shares of restricted stock. Unrecognized compensation expense at March 31, 2010 is expected to be recognized over a weighted-average period of three years.

Note 8 — Income Taxes

At March 31, 2010 and December 31, 2009, the Company had an unrecognized tax benefit of approximately $113,000. The Company recognizes accrued interest related to unrecognized tax benefits as a component of interest expense and recognizes penalties as a component of selling, general and administrative expense. During the three months ended March 31, 2010 and 2009, interest and penalties recognized in the financial statements were not material. The Company had no material accruals for the payment of interest and penalties at March 31, 2010 and December 31, 2009.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2002. The Internal Revenue Service ("IRS") commenced an examination of the Company's 2004 U.S. federal income tax return in the first quarter of 2007, which was completed in the second quarter of 2008. The following table summarizes tax years that remain subject to examination by major tax jurisdictions.

Major Jurisdiction	Open Years
U.S. Federal income taxes	2005 through 2009
U.S. State income taxes	2005 through 2009
Foreign income taxes	2003 through 2009

For the three months ended March 31, 2010 and 2009, the consolidated effective tax rates were 20.0% and 40.9%, respectively. The rate for March 31, 2010 differs from the statutory tax rate of 34% primarily due to foreign operating losses for which a tax benefit is not recorded, state income taxes and nondeductible expenses. The level of foreign operating losses was increased during the quarter because a significant portion of the Company's restructuring charge was incurred in countries with historical operating losses. The rate for March 31, 2009 differs from the statutory rate of 34% primarily due to state income taxes, foreign operating losses for which a tax benefit is not recorded, and nondeductible expenses.

Note 9 — Segment Reporting

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision-making group is the Executive Leadership Team, which is comprised of the President and Chief Executive Officer, the Chief Financial Officer, the Vice President of Global Sales, the President of TechTeam Government Solutions, the Vice Presidents of Client Service Management, Chief Information Officer, General Counsel and the Vice Presidents of Human Resources. The operating segments are managed separately because each operating segment represents a strategic business unit that offers different services.

The accounting policies of the operating segments are the same as those described in Note 1 to the Company's consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2009. The Company evaluates segment performance based on segment gross profit. Assets are not allocated to operating segments, but certain amounts of depreciation and amortization expense are allocated to operating segments.

Note 9 — Segment Reporting (continued)

Financial information for the Company's operating segments is as follows:

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
	(In thousands)	
Revenue		
Commercial		
IT Outsourcing Services	$ 26,208	$ 27,718
IT Consulting and Systems Integration	2,920	3,904
Other Services	3,726	4,265
Total Commercial	32,854	35,887
Government Technology Services	15,156	20,218
Total revenue	$ 48,010	$ 56,105
Gross Profit		
Commercial		
IT Outsourcing Services	$ 5,937	$ 6,453
IT Consulting and Systems Integration	551	936
Other Services	921	1,106
Total Commercial	7,409	8,495
Government Technology Services	3,045	5,433
Total gross profit	10,454	13,928
Selling, general and administrative expense	(10,637)	(10,592)
Restructuring charge	(3,144)	—
Net interest expense	(187)	(311)
Foreign currency transaction gain (loss)	196	(235)
Income (loss) from continuing operations before income taxes	$ (3,318)	$ 2,790

Revenue from customers, or groups of customers under common control, that comprise 10% or greater of the Company's total revenue in any period presented are as follows:

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
U.S. Federal Government	27.6%	32.8%
Ford Motor Company	11.0%	15.8%
Total	38.6%	48.6%

The Company conducts business under multiple contracts with various entities within the Ford Motor Company organization and with various agencies and departments of the U.S. Federal Government. For the three months ended March 31, 2010 and 2009, approximately 13.4% and 19.9%, respectively, of our total revenue was derived from agencies within the U.S. Department of Defense in the aggregate.

Note 9 — Segment Reporting (continued)

The Company attributes revenue to different geographic areas on the basis of the location that has the contract with the customer, even though the services may be provided by a different geographic location. Revenue by geographic area is presented below:

	Three Months Ended March 31,	
	2010	2009
	(In thousands)	
United States	$ 31,481	$ 38,230
Europe:		
Belgium	8,238	8,581
Rest of Europe	8,291	9,294
Total Europe	16,529	17,875
Total revenue	$ 48,010	$ 56,105

Note 10 — Contingencies

From time to time the Company is involved in various litigation matters arising in the ordinary course of its business. None of these matters, individually or in the aggregate, currently is material to the Company.

Note 11 – Financial Instruments Measured at Fair Value

Items Measured at Fair Value on a Recurring Basis

On January 1, 2009, the Company adopted the provisions of ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820") related to nonfinancial assets and liabilities on a prospective basis. ASC 820 establishes the authoritative definition of fair value, sets out a framework for measuring fair value and expands the required disclosures about fair value measurement. On January 1, 2008, the Company adopted the provisions of ASC 820 related to financial assets and liabilities as well as other assets and liabilities carried at fair value on a recurring basis. The valuation techniques required by ASC 820 are based on observable and unobservable inputs using the following hierarchy:

Level 1 — Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 — Unobservable inputs that reflect the reporting entity's own assumptions.

The following table summarizes the basis used to measure certain financial assets and financial liabilities at fair value on a recurring basis in the balance sheet:

	Fair Value of Interest Rate Swap (In thousands)			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Fair Value as of March 31, 2010	$ (328)	NA	$ (328)	NA
Fair Value as of December 31, 2009	$ (449)	NA	$ (449)	NA

On June 4, 2007, the Company entered into an interest rate swap agreement with a notional amount of $30,000,000. Under the swap agreement, the notional amount will be reduced by $625,000 on a monthly basis and will mature on June 3, 2011. The purpose of the interest rate swap, which is designated as a cash flow hedge, is to manage interest costs and the risk associated with variable-rate debt. The Company does not hold or issue derivative instruments for trading purposes. The swap effectively converts a portion of the Company's variable-rate debt under the Credit Agreement to a fixed rate. Under this agreement, the Company receives a floating rate based on LIBOR and pays a fixed rate of 5.55% on the outstanding notional amount. The fair value of these interest rate derivatives are based on quoted prices for similar instruments from a commercial bank and, therefore, the interest rate derivative is considered a level 2 item.

For the three months ended March 31, 2010 and 2009, losses recognized in other comprehensive income (loss) on derivatives were $14,000 and $74,000, respectively and losses reclassified from other comprehensive income (loss) into interest expense upon settlement amounted to $136,000 and $220,000, for the three months ended March 31, 2010 and 2009, respectively. The liability associated with the interest rate swap is included in other current liabilities and other long-term liabilities on the consolidated balance sheet in the amounts of $311,000 and $17,000, respectively, at March 31, 2010 and $394,000 and $55,000, respectively, at December 31, 2009.

Note 11 – Financial Instruments Measured at Fair Value (continued)

Items Measured at Fair Value on a Nonrecurring Basis

In addition to its interest rate swap, the Company measured restructuring related liabilities (Note 4 - Restructuring) at fair value on a nonrecurring basis. These liabilities are not measured at fair value on a recurring basis and, therefore, are not included in the tables above.

The Company has determined that the fair value measurements included in these liabilities rely primarily on Company-specific inputs and the Company's assumptions about the settlement of liabilities, as observable inputs are not available. As such, the Company has determined that these fair value measurements reside within Level 3 of the fair value hierarchy. The restructuring obligations recorded represent the fair value of the payments expected to be made, and are discounted if the payment are expected to extend beyond one year.

As of March 31, 2010, the Company had $2.7 million of restructuring accruals which were measured at fair value upon initial recognition of the associated liability.

Note 12 — Notes Payable and Line of Credit

On March 29, 2010, the Company amended its existing Credit Agreement with JPMorgan Chase Bank, N.A. and Bank of America, N.A. The Amendment reduced the Company's borrowing limit from $55,000,000 to $28,000,000. Bank of America, N.A. has been paid in full and is no longer a participating lender.

The Amendment increased the interest rate applicable to borrowings under the Credit Agreement. The interest rate is equal to the Eurocurrency rate for U.S. dollars plus a factor determined with reference to the Company's Leverage Ratio. The Amendment increased the range for this factor from a range of 0.95% - 1.45% to a range of 1.50% - 2.00%. The unused commitment fee was also increased from a range of 0.15% - 0.25% to a range of 0.25% - 0.35% and is also based on the Company's Leverage Ratio.

The Amendment permits the Company to maintain: (a) a rolling four-quarter Leverage Ratio as of the fiscal quarters ending March 31, 2010 and June 30, 2010 of 3.25 to 1 (up from 3.0 to 1), and 3.0 to 1 for fiscal quarters thereafter; and (b) a rolling four-quarter Fixed Charge Coverage Ratio as of fiscal quarters ending March 31, 2010 and June 30, 2010 of 1.0 to 1.0 (down from 1.25 to 1.0), and 1.25 to 1.0 for fiscal quarters thereafter.

The Amendment also modified the definition of "Consolidated Adjusted EBITDA" to allow the Company to exclude: (a) non-cash goodwill and intangible impairment charges for fiscal quarters ended December 31, 2009, March 31, 2010 and June 30, 2010; and (b) amounts related to cash restructuring charges for fiscal quarters ended March 31, 2010 and June 30, 2010.

Note 13 — Subsequent Event

Pursuant to the subsequent events topic of the FASB codification, the Company evaluated subsequent events after March 31, 2010 and concluded no material transactions had occurred subsequent to that date that provided additional evidence about conditions which existed at or after March 31, 2010 requiring any adjustment to the unaudited condensed consolidated financial statements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements represent our expectations or beliefs concerning future events, including projections of revenue, gross margin, expenses, earnings or losses from operations, or other financial items; estimates of synergies; sufficiency of cash flows for future liquidity and capital resource needs; our plans, strategies, and objectives of management for future operations; developments or performance relating to our services; and future economic conditions or performance. We caution that although forward-looking statements reflect our good faith beliefs and reasonable judgment based upon current information, these statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, because of risks, uncertainties, and factors including, but not limited to, the continuing effects of the U.S. recession and global credit environment, other changes in general economic and industry conditions, the award or loss of significant client assignments, timing of contracts, recruiting and new business solicitation efforts, currency fluctuations, and other factors affecting the financial health of our clients. These and other risks are described in the Company's most recent annual report on Form 10-K and subsequent reports filed with or furnished to the U.S. Securities and Exchange Commission. The forward-looking statements included in this report are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

TechTeam Global, Inc. is a leading provider of IT outsourcing and business process outsourcing services to large and medium business, as well as government organizations. The Company's primary services include service desk, technical support, desk-side support, security administration, infrastructure management and related professional services. TechTeam also provides a number of specialized, value-added services in specific vertical markets. Our business consists of two main components — our Commercial business and our Government business. Together, our IT Outsourcing Services segment, IT Consulting and Systems Integration segment and Other Services segment comprise our Commercial business. In addition to managing our commercial business by service line, we also manage it by geographic markets — the Americas (defined as North America excluding our government-based subsidiaries), Europe and Latin America/Asia. Our Government Technology Services segment comprises our Government business.

For the first quarter of 2010, TechTeam reported a net loss of $2.7 million, or $0.25 per diluted share, for the three months ended March 31, 2010. The net loss for the first quarter of 2010 included a restructuring charge of $3.1 million ($2.5 million net of tax) announced on March 29, 2010. Excluding the restructuring charge, the Company would have reported a net loss of $134,000, or $0.01 per diluted share, for the first quarter of 2010, as compared to net income of $1.7 million, or $0.16 per diluted share, reported for the same period last year. Despite these results, the Company's first quarter results show important signs of stabilization in the Company's business.

- While revenue was $48.0 million in the first quarter of 2010, a decrease of 14.4% from the first quarter 2009, it was a slight decline from $48.5 million in the fourth quarter 2009. In the commercial business, the company was awarded new contracts in the first quarter 2010 with total contract value totaling approximately $10.6 million.

- Gross margin was 21.8% in the first quarter of 2010, a decrease from 24.8% in the first quarter 2009. The decrease was primarily due to our government segment and the wind-down of the U.S. Air National Guard contract which was a higher gross margin contract. On a sequential basis, gross margin decreased 1.2% from the 23.0% reported for the fourth quarter of 2009. The decrease in margin from the fourth quarter 2009 is due largely to the effect of higher employment taxes in the first quarter of 2010 and the impact of weather related closings of several Federal Government offices in Washington, D.C. during February 2010.

- Selling, General and Administrative (SG&A) expense was $10.6 million in both the first quarter of 2010 and the first quarter of 2009. SG&A as a percent of revenue increased to 22.2% for the first quarter 2010 from 18.9% for the first quarter of 2009. This increase is largely due to the effect of a decrease in revenue year-over-year without a proportional reduction in SG&A costs and an increase in professional fees. On a sequential basis, SG&A for the first quarter of 2010 was more consistent with the 21.5% reported for the fourth quarter of 2009. In efforts to effectively manage its business and cost-structure of its commercial business, TechTeam completed a restructuring in the first quarter 2010, announced on March 29, 2010.

- The Company recorded a pre-tax charge of $3.1 million ($2.5 million net of tax) during the first quarter of 2010 as a result of a restructuring. The first quarter 2010 restructuring actions reduced certain redundant costs, eliminated excess capacity and supported the Company's strategy to more tightly focus its business. The Company will begin to realize cost-savings in the second quarter 2010 resulting from the restructuring.

- Cash provided by operations was $703,000 for the first quarter of 2010 compared to $7.2 million for the first quarter of 2009. TechTeam ended the quarter with cash and debt balances of $14.2 million and $13.9 million, respectively. The Company continued to pay down an additional $1.2 million of debt in the first quarter 2010 and maintained a net positive cash position at the end of the quarter (total cash minus total bank debt).

In 2010, the Company continues to make progress toward its transformation into a truly global IT service provider with significant revenue diversification from its government business.

- Our Lean ITIL (Information Technology Infrastructure Library) business model demonstrates an improvement in our operational excellence, which is the foundation of our business.

- We continue the focused development of our Lean ITIL-based service desk expertise in the enterprise support services market, as the implementation of ITIL and Lean principles into our customer's environment improves quality and lowers cost.

- We are extending our global reach by expanding into important, targeted geographies and by leveraging the strong relationships that we have with current global clients to provide services to them across geographies and in new markets.

Results of Operations
Quarter Ended March 31, 2010 Compared to March 31, 2009

Revenue

	Quarter Ended March 31, 2010	Quarter Ended March 31, 2009	Increase (Decrease)	% Change
	(In thousands, except percentages)			
Revenue				
Commercial Business				
IT Outsourcing Services	$ 26,208	$ 27,718	$ (1,510)	(5.4)%
IT Consulting and Systems Integration	2,920	3,904	(984)	(25.2)%
Other Services	3,726	4,265	(539)	(12.6)%
Total Commercial	32,854	35,887	(3,033)	(8.5)%
Government Technology Services	15,156	20,218	(5,062)	(25.0)%
Total revenue	$ 48,010	$ 56,105	$ (8,095)	(14.4)%

Total Company revenue decreased $8.1 million, or 14.4%, to $48.0 million in the first quarter of 2010 from $56.1 million in the first quarter of 2009. The revenue decrease was across all segments and was driven primarily by the conclusion of customer contracts in the IT Outsourcing Services and Government Technology Services segments and a decrease in project based work due to the difficult economic environment. This decrease was partially offset by new customer contracts in the Americas and an approximate $1.4 million positive impact of exchange rates on foreign revenue. The foreign currency impact was calculated as if revenue generated in foreign currency was translated into U.S. dollars at the average exchange rates in effect during the first quarter of 2009. We are unable to predict the effect fluctuations in international currencies will have on revenue in 2010, but given the uncertain market environment and the effect on the U.S. dollar, there could be significant revenue volatility.

IT Outsourcing Services

Revenue from IT Outsourcing Services decreased $1.5 million, or 5.4%, to $26.2 million in the first quarter of 2010, from $27.7 million in the first quarter of 2009. The revenue decrease was primarily a result of the conclusion of customer contracts in Europe and the Americas and lower revenue from Ford partially offset by an increase in revenue in the Americas from new customer contracts and a positive impact of exchange rates on foreign currency revenue. The foreign currency impact approximated $1.1 million and was calculated as if IT Outsourcing revenue in foreign currency was translated into U.S. dollars at the average exchange rates in effect during the first quarter of 2009.

IT Outsourcing Services revenue generated from Ford globally decreased $3.5 million, or 45.0%, to $4.3 million in the first quarter of 2010 compared to $7.8 million in 2009. Revenue from Ford declined 22.3% in the Americas and 68.6% in Europe as a result of a decline in seats supported from a reduction in Ford's workforce, the lower price in the contract renewal, the separation of Jaguar Land Rover from the Ford SPOC contract and the separation of Volvo Car Corporation from the global Ford IT programs, including the November 2009 SPOC contract. Please refer to our discussion of Ford in the "Significant Customers" section of MD&A.

IT Consulting and Systems Integration

Revenue from IT Consulting and Systems Integration decreased $1.0 million, or 25.2%, to $2.9 million in the first quarter of 2010, from $3.9 million in 2009. Revenue decreased in the Americas primarily from the wind-down of certain systems implementation and training projects in our hospitality business and our business with Dell through Ford.

Government Technology Services

Revenue from Government Technology Services decreased $5.1 million, or 25.0%, to $15.1 million in the first quarter of 2010, from $20.2 million in 2009, primarily due to the conclusion of the Company's ANG contract on September 30, 2009. The work performed under the ANG contract was in-sourced to be performed by the U.S. Federal Government employees. The Company continues to provide service to ANG as a subcontractor to Harris Corporation who was awarded the work under the expiring contract that was not in-sourced and added some other positions. Accordingly, the new contract will produce significantly less revenue and gross margin than the expiring contract. Please refer to our discussion of the U.S. Federal Government in the "Significant Customers" section of MD&A.

Gross Profit and Gross Margin

	Quarter Ended March 31,					
	2010		2009			
	Amount	Gross Margin %	Amount	Gross Margin %	Increase (Decrease)	% Change
	(In thousands, except percentages)					
Gross Profit						
Commercial						
IT Outsourcing Services	$ 5,937	22.7%	$ 6,453	23.3%	$ (516)	(8.0)%
IT Consulting and Systems Integration	551	18.9%	936	24.0%	(385)	(41.1)%
Other Services	921	24.7%	1,106	25.9%	(185)	(16.7)%
Total Commercial	7,409	22.6%	8,495	23.7%	(1,086)	(12.8)%
Government Technology Services	3,045	20.1%	5,433	26.9%	(2,388)	(44.0)%
Total gross profit	$ 10,454	21.8%	$ 13,928	24.8%	$ (3,474)	(24.9)%

Gross profit decreased $3.5 million, or 24.9%, to $10.4 million in the first quarter of 2010 from $13.9 million in the first quarter of 2009. Gross margin decreased to 21.8% for first quarter 2010 from 24.8% for first quarter 2009. The decrease in gross profit was driven mainly by the loss of ANG in the Government Technology Services segment and less project based work with higher margin accounts in the Company's hospitality business.

IT Outsourcing Services

Gross profit from IT Outsourcing Services decreased 8.0% to $6.0 million in the first quarter of 2010, from $6.5 million in 2009, and gross margin decreased to 22.7% from 23.3%. The decrease in gross profit was due to lower revenue and the loss of higher margin accounts in the second half of 2009. This decrease was offset by improved operating efficiencies.

IT Consulting and Systems Integration

Gross profit from IT Consulting and Systems Integration decreased 41.1% to $551,000 in the first quarter of 2010 from $936,000 in 2009, and gross margin decreased to 18.9% from 24.0% in 2009. Gross profit and gross margin decreased mainly due to less project based work with higher margin accounts in the Company's hospitality business and less project based work throughout the Company due to the difficult economic environment.

Government Technology Services

Gross profit from our Government Technology Services segment decreased 44.0% to $3.0 million in the first quarter of 2010 from $5.4 million in 2009. The decrease in gross profit was mainly due to lower revenue, primarily from the conclusion of the Company's ANG contract on September 30, 2009. Gross margin also decreased during the first quarter of 2010 to 20.1% from 26.9% in 2009. The gross margin decrease was also primarily due from the conclusion of the ANG contract which provided higher margins. Please refer to our discussion of the U.S. Federal Government in the "Significant Customers" section of MD&A.

Geographic Market Discussion

	Quarter Ended March 31, 2010	2009	Increase (Decrease)	% Change
	(In thousands, except percentages)			
Revenue				
Commercial				
Americas	$ 16,325	$ 18,012	$ (1,687)	(9.4)%
Europe	16,529	17,875	(1,346)	(7.5)%
Total Commercial	32,854	35,887	(3,033)	(8.5)%
Government	15,156	20,218	(5,062)	(25.0)%
Total revenue	$ 48,010	$ 56,105	$ (8,095)	(14.4)%
Gross Margin				
Commercial				
Americas	19.8%	21.8%		
Europe	25.5%	25.4%		
Total Commercial	22.6%	23.7%		
Government	20.1%	26.9%		
Total Gross Margin	21.8%	24.8%		

Americas

Revenue generated in the Americas decreased $1.7 million, or 9.4%, to $16.3 million in the first quarter of 2010, from $18.0 million in 2009. Revenue decreased mainly in IT Consulting and Systems Integration due to the wind-down of certain systems implementation and training projects in our hospitality business and our business with Dell through Ford. Revenue from IT Outsourcing Services experienced a decrease from the loss of two customers in the second half of 2009 and a decline in revenue earned from Ford, which was partially offset by an increase from new customers and expansion with existing customers. Gross margin from the Americas decreased to 19.8% for the first quarter of 2010 from 21.8% in 2009 mainly due to the lower revenue in the IT Consulting and Systems Integration segment.

Europe

Revenue generated in Europe decreased $1.3 million, or 7.5%, to $16.6 million in the first quarter of 2010 from $17.9 million in 2009, due to the conclusion of two customer contracts in the IT Outsourcing segment, and a decrease in our staffing business at SQM. This decrease was partially offset by an approximate $1.3 million positive impact from exchange rates on revenue. The foreign currency impact was calculated as if revenue in Europe in first quarter of 2010 were translated into U.S. dollars at the average exchange rates in effect during the first quarter of 2009. Despite a decrease in revenue, gross margin from Europe increased slightly to 25.5% in the first quarter of 2010, from 25.4% in 2009, primarily due to divesting of certain lower margin IT consulting and systems integration projects throughout Europe and improved operating efficiencies.

Operating Expenses and Other

	Quarter Ended March 31, 2010	Quarter Ended March 31, 2009	Increase (Decrease)	% Change
	(In thousands, except percentages)			
Operating Expenses and Other				
Selling, general, and administrative expense	$ 10,637	$ 10,592	$ 45	0.4%
Restructuring charge	$ 3,144	$ —	$ 3,144	
Net interest expense	$ (187)	$ (311)	$ (124)	(39.9)%
Foreign currency transaction gain (loss)	$ 196	$ (235)	$ 431	
Income tax provision (benefit)	$ (665)	$ 1,140	$ (1,805)	

Selling, general, and administrative ("SG&A") expense was $10.6 million for the first quarter of 2010 and 2009. Despite flat SG&A expense in dollars, SG&A expense as a percent of revenue increased to 22.2% in the first quarter of 2010, from 18.9% in 2009 largely due to the effect of a decrease in revenue year-over-year without a proportional reduction in SG&A costs, and an increase in professional fees.

On March 29, 2010 the Company announced a restructuring plan to enhance the effectiveness of the Commercial businesses global management team and reduce expenses in line with current business conditions. The restructuring plan was approved by the Company's Board of Directors on March 23, 2010. The 2010 pre-tax restructuring charges amounted to $3.1 million, and were primarily related to separation costs for approximately 40 employees and reductions in excess leased facility capacity around the world.

Net interest expense was $187,000 in the first quarter of 2010, compared to $311,000 in 2009 a result of lower average outstanding long-term debt offset by lower interest income from lower average invested cash equivalents and lower interest rates.

For the three months ended March 31, 2010 and 2009, the consolidated effective tax rates were 20.0% and 40.9%, respectively. The rate for March 31, 2010 differs from the statutory tax rate of 34% primarily due to foreign operating losses for which a tax benefit is not recorded, state income taxes, and nondeductible expenses. The level of foreign operating losses was increased during the quarter because a significant portion of the Company's restructuring charge was incurred in countries with historical operating losses. The rate for March 31, 2009 differs from the statutory rate of 34% primarily due to state income taxes, foreign operating losses for which a tax benefit is not recorded, and nondeductible expenses.

Significant Customers

We conduct business under multiple contracts with various entities within the Ford organization and with various agencies and departments of the U.S. Federal Government. Ford accounted for 11.0% and 15.8% of our total revenue in the first quarter of 2010 and 2009, respectively. The U.S. Federal Government accounted for 27.6% and 32.8% of our total revenue in the first quarter of 2010 and 2009, respectively. Agencies within the U.S. Department of Defense in the aggregate comprised approximately 13.4% and 19.9% of our total revenue in the first quarter of 2010 and 2009, respectively.

Ford Motor Company

Our business with Ford consists of service desk and desk side services, technical staffing, and network management. Revenue generated through our business with Ford decreased to $5.3 million in the first quarter of 2010 from $8.9 million in the first quarter of 2009. The decline in revenue is attributable to a number of factors, including: (a) seat count and volume declines within the Ford environment; (b) the effects of the entry into the three-year renewal of the Global Single Point of Contact ("SPOC") contract, which resulted in a change of the service delivery and pricing model as discussed below; (c) the divestiture of Jaguar Land Rover ("JLR") from the Ford family of companies (we continue to provide services to JLR under a direct contract); (d) the termination of the Company's contract with Dell, Inc. under which the Company provided systems integration services to Ford as a subcontractor to Dell; and (e) the separation of Volvo Car Corporation from the global Ford IT programs, including the SPOC contract on November 1, 2009.

On December 23, 2008, the Company executed a new SPOC contract, under which TechTeam provides support services to Ford's information technology infrastructure. Under the SPOC contract, TechTeam provides service desk, deskside support, service management, infrastructure management, and identity and access management services to Ford in North America, Western Europe, and Asia. The contract renewal provides for a significant change in the service delivery model. These changes include the transition and centralization of service for English speaking Ford personnel to our operations in the Philippines, the transition of service for German speaking Ford personnel to Romania, and an enhanced centralized remote deskside support management function. This transition was completed in 2009.

Under the existing SPOC contract, we provide these infrastructure support services under specific service level metrics, and we invoice Ford based upon the number of seats we support. The number of seats supported is determined bi-annually on February 1 and August 1 of each year. If certain contractual conditions are met, Ford and TechTeam have the right during each six month period to request one out-of-cycle seat adjustment. We do not believe the revenue decline will continue in 2010, as we believe that we are well-positioned to expand the SPOC program into Latin America, Canada and Asia during 2010.

U.S. Federal Government

We conduct business under multiple contracts with various agencies and departments of the U.S. Federal Government. Revenue generated through our business with the U.S. Federal Government decreased to $13.3 million in the first quarter of 2010, from $18.4 million in 2009.

The results of our Government business have been impacted by the difficult government contracting environment created by the budget constraints our customers faced. As a result of this environment, many customers have delayed procurement actions. In turn, we have experienced delays in our expected new business development. Despite being informed that we were not selected as prime contractor for the Business Transformation Agency ("BTA") of the Department of Defense, we continue to provide service to the BTA as a subcontractor.

As previously reported, our contract for the Air National Guard ("ANG") ended on September 30, 2009. ANG in-sourced the majority of the work performed under the expiring contract. ANG did award a new contract to Harris Corporation, with the Company as a subcontractor, which covered the work under the expiring contract that was not in-sourced and additional positions. Accordingly, the new contract will produce significantly less revenue and gross margin than the expiring contract. Specifically, had the Company been delivering service under the new contract for the three months ended March 31, 2009, total U.S. Federal Government revenue would have been reduced on a net basis by approximately 14.2%.

New Accounting Pronouncements

In February 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-09, "Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements," which amends ASC 855. ASU No. 2010-09 confirms the guidance in ASC 855 for SEC filers to match subsequent event guidance issued by the SEC. The adoption of ASU No. 2010-09 did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820)," which amends the FASB's ASC 820. ASC No. 2010-06 requires disclosures of significant transfers between Level 1 and Level 2 of the fair value hierarchy. ASU NO 2010-06 further requires entities to report, on a gross basis, activity in the Level 3 fair value measurement reconciliation beginning on January 1, 2011. The adoption of ASU No. 2010-06 did not have a material impact on the Company's consolidated financial statements.

Liquidity and Capital Resources

Cash and cash equivalents were $14.2 million at March 31, 2010, as compared to $19.9 million at December 31, 2009. Cash and cash equivalents decreased $1.8 million in the first quarter of 2010 as a result of $1.2 million in payment to reduce long-term debt offset by $703,000 in cash provided by operations.

Net cash from operating activities for the first quarter of 2010 provided cash of $703,000 compared to $7.2 million in the first quarter of 2009. Net cash provided from operations for the first quarter of 2010 was primarily due to a net loss of $2.7 million, adjusted for depreciation/amortization expense of $1.4 million and non-cash stock based compensation expense of $608,000. Net changes in operating assets and liabilities of $1.3 million also contributed to cash provided by operating activities. The net changes in operating assets and liabilities as of March 31, 2010 were primarily related to an increase in accrued expenses and accrued payroll of $2.9 million principally driven by the timing of payments and the restructuring charge in the first quarter of 2010. This was partially offset by an increase in prepaid accounts and a decrease in accrued taxes due to timing of payments. The cash generated from these operating cash flow improvements was primarily used to pay down debt.

Cash provided by operations for the first quarter of 2009 was primarily due to net income of $1.6 million, adjusted for net changes in operating assets and liabilities of $3.3 million, depreciation/amortization expense and non-cash stock based compensation expense of $1.7 million and $568,000, respectively. The net changes in operating assets and liabilities as of March 31, 2009 were primarily related to a decrease in accounts receivable of $6.3 million due to increased collection efforts. This decrease was partially offset by a decrease in accrued expenses and accrued payroll of $2.8 million due to timing of payments.

Net cash used in investing activities was $260,000 and $797,000 for the first quarter of 2010 and 2009, respectively. Net cash used in investing activities during the first quarter of 2010 and 2009 were used to purchase equipment and software and to make payments to the selling shareholders of prior acquisitions for achieving financial performance targets. Capital expenditures were $135,000 and $671,000 respectively, for the first quarter of 2010 and 2009.

Net cash used in financing activities was $1.3 million and $3.2 million for the first quarter 2010 and 2009, respectively. Net cash used in financing activities for both periods was primarily due to a higher pay down of debt.

Long-term cash requirements, other than for normal operating expenses, are anticipated for continued global expansion, enhancements of existing technologies, possible repurchases of our common stock and the possible acquisition of businesses complementary to our existing businesses. In light of the Company's cash flow and the amendment to the Credit Agreement, we believe that cash flows from operations, together with existing cash balances and the existing credit facility, will continue to be sufficient to meet our ongoing operational requirements for the next twelve months and foreseeable future. We have historically not paid dividends, and we are restricted from doing so under our Credit Agreement. Market conditions may limit our sources of funds available, and the terms of such financings for these activities to the extent financing is desirable or necessary.

Material Commitments

There have been no significant changes in our material commitments disclosed in "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2009.

Critical Accounting Policies and Estimates

There have been no changes in the selection and application of critical accounting policies and estimates disclosed in "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2009.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in reported market risks disclosed in "Item 7A — Quantitative and Qualitative Disclosures About Market Risk" of our Annual Report on Form 10-K for the year ended December 31, 2009.

ITEM 4 — CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In accordance with Exchange Act Rule 13a-15(b), our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of the Company's disclosure controls and procedures as of the end of the fiscal quarter covered by this Quarterly Report. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective, as of March 31, 2010, to provide reasonable assurance that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended March 31, 2010, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

From time to time we are involved in various litigation matters arising in the ordinary course of its business. None of these matters, individually or in the aggregate, currently is material.

ITEM 1A — RISK FACTORS

There have been no changes in the risk factors disclosed in "Item 1A — Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2009.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no sales of unregistered equity securities of the Company during the three months ended March 31, 2010.

On October 30, 2008, the Board of Directors authorized a stock repurchase program. Under the program, the Company was authorized to repurchase up to one million shares of its common stock as the Company deems appropriate. The Company is limited under its current credit agreement with an annual limitation of $3.0 million per year on the repurchase of its common stock. The stock repurchase program expires on December 31, 2011.The Company did not repurchase any shares in the quarter ending March 31, 2010. The maximum number of shares that may yet be purchased under the program is 987,742.

ITEM 5 — OTHER INFORMATION

None.

ITEM 6 — EXHIBITS

The following exhibits are filed as part of this report on Form 10-Q:

10.1	David A. Kriegman Performance Share Agreement
10.2	Robert W. Gumber Employment Separation Agreement and Release
31.1	Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TechTeam Global, Inc.
(Registrant)

Date: May 10, 2010	By:	/s/ Gary J. Cotshott	Gary J. Cotshott President and Chief Executive Officer (Principal Executive Officer)
	By:	/s/ Margaret M. Loebl	Margaret M. Loebl Corporate Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)

TECHTEAM GLOBAL, INC.
2006 INCENTIVE STOCK AND AWARDS PLAN
PERFORMANCE SHARE AWARD

David A. Kriegman
8220 Crestwood Heights Drive
McLean, VA 22102
Dear Mr. Kriegman:

You have been granted a Performance Share award (the "Performance Share Award") for shares of common stock of TechTeam Global, Inc. (the "Company") under the TechTeam Global, Inc. 2006 Incentive Stock and Awards Plan (the "Plan") with the following terms and conditions:

Performance Period:	September 24, 2009 through December 31, 2010
Performance Criteria:	As used herein, the term "Transaction" shall mean the first to occur of a Company Transaction or a TTGSI Transaction (as those terms are hereinafter defined). There are two Performance Goals:

(a) the first to occur of (1)(i) the closing of the sale or other disposition of all or substantially all of the assets of the Company or (ii) the sale of 51% or more of the then outstanding shares of common stock entitled to vote generally in the election of directors of the Company (each, a "Company Transaction") or (2)(x) the closing of the sale or other disposition of all or substantially all of the assets of TechTeam Government Solutions, Inc. ("TTGSI") or (y) the sale of 51% or more of the then outstanding shares of common stock entitled to vote generally in the election of directors of TTGSI (each, a "TTGSI Transaction") during the Performance Period, and

(b) meeting the Transaction Value set forth below. In no event shall you be entitled to earn Shares under this Performance Share Award with respect to both a Company Transaction and a TTGSI Transaction.

Subject to the terms of this Performance Share Award, if both Performance Goals are met during the Performance Period, you will earn a number of Shares based on the Transaction Value (as hereinafter defined), and otherwise as follows.

If the Transaction is a TTGSI Transaction, then the Transaction Value that must be met in order to earn Shares hereunder shall be as set forth in the table below.

Transaction Value	Performance Share Grant
$60,000,000 to $70,000,000	1,000 to 5,000
$70,000,000 to $80,000,000	5,001 to 10,000
$80,000,000 to $90,000,000	10,001 to 20,000
$90,000,000 to $100,000,000	20,001 to 25,000
➢$100,000,00	Discretionary

If the Transaction is a Company Transaction, the Transaction Value that must be achieved with respect to TTGSI in order to earn Shares hereunder shall be as set forth in the table above. If there is no allocation of the consideration in the definitive agreement(s) for the Company Transaction between the consideration paid for the Company and its subsidiaries (other than TTGSI) and the consideration paid for TTGSI and its subsidiaries, then the Transaction Value shall be determined in good faith by the Compensation Committee. In making such determination, the Compensation Committee may take into account the consideration set forth in the most recent written offer received from the acquiror in such Company Transaction for the purchase of TTGSI independent of the Company; or if such acquiror did not make a written offer to buy the Company independent of the TTGSI, the most recent written offer received from a potential buyer of the Company independent of TTGSI.

If the Transaction Value is an amount within a range set forth in the table above, the number of Shares that you will earn with respect to this Performance Share Award shall be determined based on a linear interpolation between the two applicable ranges.

For the avoidance of doubt, if the Transaction Value is less than $60,000,000, you will not earn any Shares with respect to this Performance Share Award. Further, the Performance Shares set forth in the table above are not cumulative (i.e., if the Transaction Value is greater than $100,000,000, subject to meeting the other terms of this Performance Share Award, you will only be entitled to earn 25,000 Shares.

For purposes of this Performance Share Award, “Transaction Value” shall mean the aggregate fair market value of the consideration actually received by the Company and/or its direct or indirect stockholders in a Transaction (determined as of the closing date of a Transaction) and 65% of the fair market value of any Contingent Payments (as defined below). The fair market value of any consideration in the form of securities or other property shall be determined on the same basis as which the securities or other property were in the Transaction. "Contingent Payments” shall be defined as the consideration receivable or received by the Company or its former or current equity holders in the form of “earn-outs,” escrows, indemnity claims or other similar contingent payments based upon the occurrence of future events. Transaction Value and the value of any Contingent Payments shall be determined by the Compensation Committee, in its sole discretion.

If your employment terminates in the period that is six months prior to the consummation of a Transaction due to (a) death; (b) Disability; or (c) termination of your employment by the Company without "Cause" or by you for "Good Reason" as defined in your [Change of Control Agreement/ Employment Agreement], then you will be eligible to receive the Performance Shares set forth above only if both Performance Goals are met. For this purpose, "Disability" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, as determined by the Administrator.

If your employment or service terminates prior to the Transaction for any other reason, this Performance Share Award will terminate in full on the date of such termination without any consideration due to you and you will not earn any Performance Shares.

Issuance of Certificates:	If the Performance Goals are met, immediately prior to, and contingent upon the consummation of the Transaction, the Company will issue in your name certificate(s) evidencing your Performance Shares, to the extent earned in accordance with the terms of this Performance Share Award.
Transferability of Shares:	By accepting this Award, you agree not to sell any Shares acquired under this Award at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale.
Tax Withholding:	To the extent that the receipt of the Performance Shares results in income to you for Federal, state or local income tax purposes, you shall deliver to the Company at the time the Company is obligated to withhold taxes in connection with such receipt, such amount as the Company requires to meet its withholding obligation under applicable tax laws or regulations, and if you fail to do so, the Company has the right and authority to deduct or withhold from other compensation payable to you an amount sufficient to satisfy its withholding obligations. You may satisfy the withholding requirement, in whole or in part, by electing to have the Company withhold for its own account that number of Shares otherwise deliverable to you having an aggregate Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that the Company must withhold in connection with the vesting of such Shares. Your election must be irrevocable, in writing, and submitted to the Secretary of the Company before the date the Shares are distributed. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.

Miscellaneous:

- This Performance Share Award may be amended only by written consent signed by you and the Company.
- As a condition of the granting of this Award, you agree, for yourself and your legal representatives or guardians, that this Agreement shall be interpreted by the Committee and that any interpretation by the Committee of the terms of this Agreement and any determination made by the Committee pursuant to this Agreement shall be final, binding and conclusive.
- This Agreement may be executed in counterparts.

This Performance Share Award is granted under and governed by the terms and conditions of the Plan. In the event of a conflict between the terms of the Plan and this Performance Share Awards, the terms of this Plan will govern. Additional provisions regarding your Award and definitions of capitalized terms used and not defined in this Award can be found in the Plan.

BY SIGNING BELOW AND ACCEPTING THIS PERFORMANCE SHARE AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED HEREIN AND IN THE PLAN. YOU ALSO ACKNOWLEDGE RECEIPT OF THE PLAN AND THE
PROSPECTUS DESCRIBING THE PLAN.

/s/ Gary J. Cotshott	/s/ David A. Kriegman
Gary J. Cotshott	David A. Kriegman

EMPLOYMENT SEPARATION AGREEMENT AND RELEASE

This Employment Separation Agreement and Release ("Agreement") is between Robert Gumber ("Employee") and Employee's former employer, TechTeam Global, Inc., ("Employer").

RECITALS

WHEREAS, Employer employed Employee as **Corporate Vice President, Client Service Management**; and

WHEREAS, Employee was notified on March 18, 2010 that his employment will end effective **May 7, 2010**; and

WHEREAS, the parties wish to enter into this Agreement reflecting their amicable resolution of all matters in relation to the Employee's termination of his at-will employment with Employer, the payment of compensation not otherwise due to Employee, and the waiver and release of any claims arising out of Employee's at-will employment;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained in this Agreement, Employee and Employer agree as follows:

Employee's final day of employment will be **May 7, 2010**. Employee received a copy of this Agreement on **April 16, 2010**.

(a) The consideration given by Employer for this Agreement shall be a one time lump sum severance payment of **$258,405** Dollars, minus applicable withholdings as required by law. Employee acknowledges that the amount paid hereunder represents a compromise of a disputed claim and therefore is in excess of any amounts otherwise conclusively due to the Employee. The lump sum will be paid by a check made out to **Robert Gumber** and will be paid within seven (7) days after the Effective Date of this Agreement.

(b) On May 7, 2010, Employee will be issued nine thousand (9,000) of TechTeam common stock.

(c) The severance consideration as described in 2(a) above is in full accord and satisfaction of any claims Employee has, may have, or may have had against the Employer. This payment by Employer is more than Employee is otherwise entitled to and is paid in consideration for Employee's execution of this Agreement.

(d) Effective **May 7, 2010**, Employer will otherwise discontinue Employee's current compensation and benefits. Your health and dental insurance, if any, will continue to the end of this month.

(e) Employer agrees not to contest Employee's rights, if any, for unemployment compensation.

(f) Employer agrees to give Employee a neutral reference indicating only his dates of service and position held.

In exchange for the consideration set forth in Paragraph 2, and except for the compensation and terms set forth in this Agreement, Employee hereby releases, waives, and discharges Employer, ("Employer" for purposes of this Paragraph shall include the Employer's current and former officers, directors, employees, parents, partners, subsidiaries, divisions, employees, representatives, attorneys, successors, agents, assigns, affiliates and related entities), from any causes of action, claims, damages, attorney fees, or any other liabilities or claims whatsoever, whether in law or in equity, known or unknown, that he has, may have, or may have had against Employer. These waivers, releases, and discharges constitute a general release, extinguish any claims, preclude any litigation by Employee against Employer based on anything that occurred on or before the date on which Employee signs this Agreement, and are effective to the fullest extent permitted by law. This means that Employee gives up, to the fullest extent permitted by law, any right to file any lawsuit or any complaint with any government agency or court of law against Employer about anything arising in the course of Employee's employment or the termination of Employee's employment under any local, state or federal statute, ordinance or regulation, including, but not limited to, the Age Discrimination in Employment Act, 29 USC Sec. 621 et seq., the Executive Separation Policy, the 2006 Incentive Stock and Awards Plan, and under the common law. Employee understands that the only claims that Employee is not waiving and releasing are for the consideration that Employee will receive under this Agreement and any claims that, as a matter of law, cannot be released and waived, including any fully vested benefits under Employer's retirement plans and any other fully vested benefits to which Employee would be entitled under Employer's current benefit plans.

Employee does not waive claims, which arise after the Effective Date of this Agreement.

Employee agrees to deliver to Employer all documents and materials of any nature pertaining to his work with Employer and agrees not to remove from the premises any Employer documents, materials, or copies of documents. Employee agrees not to disclose any confidential information, including, but not limited to sales, marketing, pricing, processes, designs, products, company performance, product data, concepts or trade secrets obtained during the course of his employment. Any disclosure of such information will be considered a breach of this Agreement.

Employer has advised Employee in writing to consult with an attorney of Employee's choice **____ (initials),** at Employee's expense, before signing this Agreement. Employee has been provided with a sufficient amount of time totaling at least twenty one (21) days to consider the terms of this Agreement, and to decide whether to accept it. Employee may voluntarily and knowingly sign, but is not required to sign, this Agreement before the end of the twenty one (21) day period. Employer will then be able to expedite the processing of the consideration set forth in the Agreement. Employee and Employer agree that Employer has made no promises, inducements, representations, or threats in order to cause Employee to sign this Agreement before the end of the twenty one (21) day period. If Employee voluntarily and knowingly signs this Agreement before the end of the twenty one (21) day period, the mandatory seven (7) day revocation period under paragraph 10 will start on the date that Employee signs this Agreement. If Employee has not accepted this agreement by **May 7, 2010**, this Agreement shall be null and void and of no force or effect.

Employee agrees not to disclose the terms of this Agreement to any third party, except as required by law or as necessary for the purposes of receiving counsel from his attorneys or accountants. If he makes such disclosure, Employee agrees to inform such individuals that they are bound by this paragraph.

This Agreement shall not be construed as an admission of any wrongdoing by either Employee or Employer.

This Agreement, including Intellectual Property Assignment, Non-Solicitation, and Confidentiality Agreement previously signed, constitutes the entire agreement between Employee and Employer and supersedes all prior agreements, negotiations, and discussions between the parties with respect to the subject matter contained herein. There are no other agreements modifying its terms. Any modification to this Agreement must be made in writing and signed by Employee and a duly authorized representative of Employer and must specifically refer to and expressly change this Agreement.

This Agreement is binding on and shall inure to the benefits of the parties their heirs, officers, directors, employees, representatives, shareholders, successors, and assigns.

Employee has been advised and acknowledges that he is entitled to revoke this Agreement within **seven (7) days** after signing it, and that the Agreement shall not become effective or enforceable until this revocation period has expired ("Effective Date"). A revocation must be in writing and either postmarked and addressed to Employer or hand delivered to Employer within seven (7) days after Employee signed this Agreement. Employee agrees that if a revocation is made by mail, a mailing by certified mail, return receipt requested, is recommended to show proof of mailing.

Employee has had a full and fair opportunity to discuss all aspects of this Agreement with Employee's attorney, if Employee chose to do that. Employee has carefully read this Agreement, understands it, and is entering it voluntarily and knowingly, which means no one is forcing or pressuring Employee to sign it.

If any provision of this Agreement is ruled to be invalid, unenforceable, or illegal, Employer and Employee agree that the rest of this Agreement will remain enforceable and that the Agreement will be construed as if it never contained the invalid, unenforceable, or illegal provision.

The laws of the State of Michigan govern the interpretation, construction, and application of this Agreement, except if applicable federal law provides differently.

TechTeam Global, Inc.

By: /s/ Heidi K. Hagle
Its: Vice President, Human Resources
Date: May 3, 2010

Robert Gumber, an individual

/s/ Robert Gumber
Date: May 3, 2010

CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gary J. Cotshott, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TechTeam Global, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report:

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 10, 2010

By: /s/ Gary J. Cotshott
Gary J. Cotshott
President and Chief Executive Officer

CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Margaret M. Loebl, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TechTeam Global, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report:

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 10, 2010

By: /s/ Margaret M. Loebl
Margaret M. Loebl
Vice President, Chief Financial Officer and Treasurer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of TechTeam Global, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2010, as filed with the Securities and Exchange Commission as of the date hereof (the “Report”), I, Gary J. Cotshott, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2010

By: /s/ Gary J. Cotshott
Gary J. Cotshott
President and Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of TechTeam Global, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2010, as filed with the Securities and Exchange Commission as of the date hereof (the "Report"), I, Margaret M. Loebl, Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2010

By: /s/ Margaret M. Loebl
Margaret M. Loebl
Vice President, Chief Financial Officer and Treasurer