

❖ Consultants in Minnesota ❖

November 2002

President's Message

By Randy Hayman

Greetings!

Thank you Ray Giske for sponsoring Darrell Foss, CPA. The presentation was timely in that Darrell discussed tax planning and compliance issues of particular importance to Independent Consultants.

If you did not pick up a set of handouts detailing the Synera Systems Early Adopter program at the October meeting, you can get a copy from the members only section of our website.

This is a partnership that Synera Systems has created and tailored just for businesses like ours. Don't let this opportunity pass you by to provide a service to your clients and your bottom line.

I have recently had the opportunity to test the waters on a secure, distributed, virtual development effort architecture. I have a client that needed a solution that was larger than what I alone could create. The timeframe is aggressive, and I needed a way to bring additional staff onto the project quickly with a minimal amount of face-to-face time due to the schedules and locations of all involved, so I created and implemented a virtual organization for this project.

The infrastructure solution I created involves an Internet server behind a firewall, Secure Shell (SSH) access to the Internet server, a Concurrent Versioning System (CVS) repository for

the source code, and automated daily backups of the server. We use email as the primary communications means since it works well for the work schedules of all involved - each member's inbox will always have the latest communications from the team when they work on their portions of the project.

I had an old 166MHz pentium-class machine which I upgraded the BIOS (free download) on so that it could see the two \$15.00 128MB RAM DIMMs I added to it, not necessary, but I wanted to run X-Windows, so more memory would be a welcome addition. I originally set this machine up to use the 64MB (4 SIMMs) that were in this machine, but with memory so cheap, I upgraded it.

I added an 8GB hard disk scavenged from another old system some many months ago and I upgraded the video with a \$40.00 PCI video card so that I could run an X-Windows graphical UI - again, not necessary, but one that I wanted to implement. I originally set this server up with the 2GB hard disk that was part of the original configuration, but took the opportunity to upgrade, since I had the 8GB disk on the parts shelf. I also had an old Sony CD-RW unit that I put in this machine.

The installation of Red Hat Linux version 7.3 (free Internet download) topped off the server configuration. I had an empty slot in one of my Keyboard / Video / Mouse (KVM) switches, so a \$20.00 set of KVM cables was all I needed to put a keyboard, monitor, and mouse on the machine.

I then created a CVS repository and added each project member as a user on this system with a minimum of a 25 character password/passphrase. I allowed the project

Officers:

President: Randy Hayman

Voice (651) 261-9939

Fax (651) 456-9426

mail: haymanr@pureice.com

VicePresident: John B. Rose

Voice (651) 214-5053

email: jbr@icca.org

Treasurer: Norm Nelson

Voice (612) 399-0107

email: norm.nelson@icca.org

Secretary: Larry Bremer

Voice (763) 553-1994

email: ljbremers@compuserve.com

Editor: Magne A. Hatlevik

Voice (651) 264-1608

email: magne@magpcs.com

Chapter WebSite: www.icca-mn.org

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Minnesota Chapter



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members to use public/private paired key authentication so they would not need to enter their lengthy passphrase each time they accessed the server. I turned off all external access to this machine except for SSH.

The developers then started creating source code files, libraries, data files, etc... and checked them into the CVS repository via SSH access. Each team member now has immediate access to the current updates for the project from their favorite development IDE regardless of their location. The developers preferred IDEs range from vi and vim to emacs, to commercial IDEs on Linux and Windows platforms, natively and via the cygwin tools.

I set up a cron job to make a backup of the development directory hierarchy to CD every night. All I have to remember is to put a blank disc in the CD-RW unit every day. Currently, the size of the entire development directory is just under 400MB, so I have plenty of room for growth before looking at even compressing the data before backing it up.

All told, for minimal cost, plus a few hours of my time, I have an Internet server to support this development effort that is over-configured, and typically running at about 10% CPU load, even during peak activity. I could have put this machine directly on the Internet, using the Red Hat native firewall utilities, but decided to add an external firewall since I have another client that has just requested my firm to rearchitect their networking infrastructure, so I took the opportunity to gain some experience on one of my internal projects.

I purchased a Netgear FVS318 8-port

Cable/DSL ProSafe VPN Firewall switch for \$140.00 (less than \$120.00 online) and configured it in a stealth mode to be almost invisible from the Internet. I opened up port 22 (SSH) through the firewall to the Internet server.

The project team consists of members using dial-up and broadband access to the Internet. The members live and work within a 60 mile area in and around the Twin Cities Metro area. The use of CVS allows each member to get only those files that have been modified and are different than the copy on their own systems, and to update the central repository with only those changes they wish to commit to the repository. This has the benefit of being painless for dialup users since the changed files end up being a relatively small number of bytes of the total repository size.

This project team has met face-to-face only three times so far, and the progress we have made is as if we were all in the same location at the same time. We communicate multiple times per day by phone and email, plus we meet face-to-face every 7-14 days, as needed.

Creative Solutions for a creative solution has worked very well for this project. We are currently on-track to meet our aggressive delivery deadline.

That's the view from here.

Fire That Customer?

By Jack Rose
ICCA of Minnesota

As an independent, I find it tempting at times to give a troublesome client the heave-ho. Sometimes it's justified. Sometimes it's your heart taking over where your head should be.

Here are a few thoughts on choosing wisely, then if necessary severing relations the right way.

Take a step back: Separating the wheat from the chaff

- Do a cost-benefit breakdown on each customer. How much revenue is he bringing in? How much is it costing you to service him?
- Look at the second level. Are you missing revenue opportunities with this client: additional business, or referrals to new clients? On the other hand, are you spending too much time hand-holding and fixing problems not of your own making, time better spent growing your business?

Don't do anything rash: Try to fix things in place

- Make sure you are billing for everything your client gets. Eliminate unearned discounts. Keep a diary of hours worked, including those not visible to the customer. Delay responding to nuisance calls (this will take all of your wisdom and tact).
- Renegotiate your contract. Raise your rates if they are out of step with your competition. Visit www.realrates.com to find out.

Letting go: A last resort

- If you have to, the best way to fire a customer is to hand him off to another practitioner. I've gotten business during slow periods by asking larger consultancies to refer some of their "problem" clients. Bring the new guy in, introduce him around, show him the ropes, and gradually withdraw. Make sure your client never gets that abandoned feeling. It'll pay off in good will.
- If you have to be blunt about why you're not renewing a contract, do it in person to minimize the inevitable bad feelings.

ACCOUNTING AND TAXES Keeping Ahead of the Game

By Ray Giske

Darrell Foss, a practicing CPA, was the presenter at the October 17th ICCA meeting at the Lido. Given the time of year, the number of people present, and the questions asked, it appears the topic was well received. The range of topics covered was appropriate not only for those relatively new to the consulting business but also for the seasoned veterans. In general, the topics included:

- Options available for organizing your company along with the advantages and disadvantages of each;
- Given the options for organizing; what are the appropriate tax forms to be used in filing an annual tax return for the organization;
- Steps to take prior to the end of the year to minimize the tax payment required.

Throughout the presentation Darrell offered "nuggets" of information regarding a variety of topics ranging from tax credits, handling software development (expense or capitalize), and employee versus contractor issues. In particular, Darrell suggested that, while one might "push the envelope" on the deduction side of a tax return, one should "never, never" attempt to hide income since mis-handling income is a fraud and opens up the potential for an audit on almost any previous tax return. Furthermore, the IRS is getting much better at matching 1099 with the individual tax return. On the expense side, he encouraged, to the extent that funds are available, making purchases to the end of the year to get the benefit of the tax deduction.

Darrell Foss is a seasoned accounting professional who has worked in an accounting firm, as a VP of Finance and Accounting in a marketing research firm, and as an independent consultant. He is a Certified Public Accountant and has taught accounting courses at both the University of St. Thomas and Concordia University.

Tired of the same old menu choices?

By Jack Rose

Here's your chance to tell us what you like. Visit the Members Only section of our website, www.icca-mn.org, and vote for your favorite entrées. You can revisit and change your vote any time you wish.

Leading the pack for our meeting Tuesday, November 19 at the Wyndham, are:

- Pasta Primavera, with 6 votes;
- Grilled Salmon, with 5 votes;
- Center Cut Pork Chop with balsamic glaze, with 4 votes;
- Italian Skillet (rotini pasta with vegetables and marinara sauce), with 4 votes;
- Honey Stung Fried Chicken, with 4 votes.

Please log on to register your meal preferences and to let us know you're coming. You'll need your ICCA member number (it's printed on the label of The Independent every month) and a password (your last name) to log on. Contact me for questions and problems: webmaster@icca-mn.org.



Meeting Reservations: Members may phone your reservation to Joan Barnes at 651-257-2570 by 3:00 PM, Friday, November 15, 2002. Non-members should mail this form to: ICCA Minnesota, c/o Norm Nelson, 2200 E 22nd St. Minneapolis, MN 55404-3165

Name: _____ Company: _____
 Address: _____ City: _____
 State: _____ Phone: () _____

Menu Selection: The Wyndham Menu

Members \$25 Non-members \$28 x _____ = _____
 Late Charge \$2 x _____ = _____
 Enclosed is a check for: _____



Next Meeting

Tuesday, November 19, 2002

TBA

Speaker: Bob Ryan, Associate Director,
Skillshare Associates

Wyndham Garden Hotel

4460 W 78th St. Circle
952-831-3131

Social Hour at 5:30PM
Dinner at 6:30PM

For reservations call
Joan Barnes @ 651-257-2570

FUTURE MEETINGS

Wednesday, December 18, 2002
TBD Holiday Party

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Attention all ICCA members:
Get involved--write a story for
the newsletter. I need stuff to fill
these white(blue) pages!!



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