



# CONSULTANTS IN MINNESOTA

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## PRESIDENT'S MESSAGE

BY  
WADE HERSCHBERGER

Greetings,

The open source movement is growing rapidly. There are numerous open source projects, the most visible probably being Linux. From a computer consultants's perspective, this should be seen as a great opportunity for new business.

There are several ways that companies have approached the new open source business model.

Early open source companies, for example Walnut Creek, sometimes adopted a distribution business model. They collected public domain and free software and packaged it onto CDs. This model has faded as ubiquitous Internet access and broadband have increased. I still use one vendor for getting the latest releases of Linux since I don't want to wait around for 4-5 gigabytes of information to download at my relatively slow access speed.

### Next Meeting

Wed, Sept 17

### "A Business Overview of Open Source Software"

By Allie Micka of Pajunas Interactive, Inc.

Wyndham Garden Hotel

Social Hr: 5:30 Dinner 6:30

Members \$25 NonMembers \$28

RSVP to Jack Rose

Other companies, for example Red Hat, have taken the distribution model and enhanced it with adding additional integrations and installation wizards. Is there a value-added product you could sell by providing additional integration or functionality? An extension of this business model is commercial value-added that enhance an open-source base with proprietary technologies. Again, a well-known example

here are Red Hat's extended Linux products.

Hardware integration, for example VA Linux, have focused on providing 'turn-key' hardware/software solutions. If your market is to provide similar solutions for your customers using proprietary software solutions, this could be a way to add another line of business. This should be a prime market for

(Continued on page 2)

## A CLASSIC RECOVERY?

BY THE MOTLEY FOOL

With any luck, the stock market will be off to a strong start in September, gaining support from Friday's (Aug 29) bevy of encouraging economic data. The Purchasing Management Index (PMI) from Chicago, which measures results in the Midwest, rose to 58.9 last month, up from 55.9 and topping the 55.5 estimate. A number above 50 indicates economic expansion. Today's 58.9 is the highest reading since May 2002 and, more signifi-

cantly, the fourth increase in a row, indicating steam building in the economy.

Additional encouragement came from the employment component of the index, which rose to 51.2 from 46.0, showing regional job expansion rather than contraction. These numbers bolstered Thursday's Commerce Department report, which said the U.S.

(Continued on page 3)

## What you missed at the last meeting

Jim Kugler's presentation on health insurance for the self employed concentrated primarily on Medical Savings Accounts. His assertion (which he backed up with examples) is that MSA should be evaluated carefully when considering major medical because of several advantages:

- MSA contributions are pre-tax dollars, unlike the uncovered portion of medical expenses under major medical
- MSA contributions can be used for many expenses that conventional health insurance will not cover (such as non-prescription glasses)
- MSA contributions can be carried from year to year, unlike deductible fulfillment

His examples showed that out-of-pocket expenses would be significantly lower with an MSA type plan for a family of four. Jim is surprised that MSA plans are not more popular, which he suggests may be due to unfamiliarity, slightly more paperwork to set them up, and the fact that they are only available in Minnesota from two carriers.

Jim also touched on issues of planning for aging, specifically medicare insurance and final care plans. He can be reached at jimkugler@visi.com.

-- Bill McTeer

## ECONOMIC INDEX RISES FOR REGION

JULIE FORSTER, PIONEER PRESS

An economic index for a nine-state area including Minnesota increased in August, pointing to solid growth for the second half of the year.

The overall monthly index out of Creighton University, Omaha Nebr., rose to 60.2, its highest level since April 2000 when it was 61.5 and up from July's 56. Both

durable and non-durable goods manufacturing along with value-added services, reported growth for the month.

Minnesota's number, while below the nine-state index was still solid rising to 57 from July's 50.8. The highest for MN since Sept 2000 when it was 59.

## PRESIDENT'S MESSAGE CONT.

*(Continued from page 1)*

members of the ICCA.

Providing support and/or training services is another prime market for computer consultants. Sometimes I think the open source model was created by consulting firms that wanted a way to drum up business! Without 'locked-in' vendor support, many users may look to industry experts (that would be us!) to help them deploy and support these technologies.

Contract programming to add additional customer functionality to existing open source packages is a natural business model for computer consultants.

Companies like O'Reilly have made

their mark by providing documentation and books on open source packages. While I doubt we will become publishing houses, maybe there's a market for a book that you could write. Training material could provide some income possibilities and maybe even lead to additional consulting services. I worked for a vendor that saw training as a way to lead to additional software and/or consulting services and it was very successful.

As the open source movement gains momentum, there are more and more opportunities for computer consultants to enhance their business base. Do make sure to do your homework on licensing rights!

Wade

***“as the open source movement gains momentum there are more opportunities for computer consultants to enhance their business base”***

## CLASSIC RECOVERY?

CONT.

(Continued from page 1)

economy grew a surprisingly strong 3.1% annualized in the three months ended June (during which time, not coincidentally, the stock market began to recover).

Meanwhile, consumer spending remained strong in July, rising 0.8%, with the pedal to the metal in auto sales, especially. Consumer spending, which accounts for two-thirds of the U.S. economy, was buttressed during the recession by mortgage refinancings (which are drying up) and tax cuts. A second round of cuts added about 1% to the average take-home pay this summer.

On the heels of the strong data, some analysts are projecting a robust turnaround for the sec-

ond half of this year, saying the U.S. economy could grow at upwards of 6% annualized. Whether this happens or not, the fact that, at around 6%, unemployment has remained relatively low compared to other recessions supports the argument that we're closer to strength than weakness.

Bonds sold off on today's news and long-term yields jumped nearly five basis points, with 30-year yields rising to 5.25% and the 10-year rising to 4.46%. Falling bonds, rising stocks, at least regional cases of steadying unemployment, healthy consumer spending, and numbers showing economic expansion -- it all might point to a classic turnaround. Here's hoping.

[www.MotleyFool.com](http://www.MotleyFool.com)

*“some analysts are projecting a robust turnaround for the second half of this year”*

## STRICTLY BUSINESS 2004

It is time to start planning for Strictly Business 2004. We need someone to step forward and be the contact person. This is a good way to get slightly more involved in our local chapter and expand your professional network.

Please contact one of our officers or Joan Barnes ([jbarnes@dbasystems.com](mailto:jbarnes@dbasystems.com)) for more information.

Bob

## THE COMING LABOR SHORTAGE DEBUNKED

[HTTP://KNOWLEDGE.WHARTON.UPENN.EDU/ARTICLES.CFM?CATID=10&ARTICLEID=837](http://knowledge.wharton.upenn.edu/articles.cfm?catid=10&articleid=837)

The coming labor shortage. It's a prediction frequently made by think tanks, consulting firms and corporate human-resources executives worrying about how the U.S. economy is going to cope with a dearth of workers in the years to come. The problem, however, is that this is false.

That is the conclusion of a study by Peter Cappelli of Wharton's Center for Human Resources.

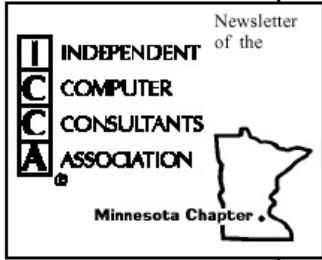
Like many false beliefs, the forecast has its basis in truth--a demographic change that is quite real. The small size of the so-called baby-bust generation.

The fact that the baby-bust cohort is 16% smaller overall than the baby-boom cohort does not mean that every sub-group within the baby-bust group has to be 16% smaller. Colleges, for example, did not cut back on the

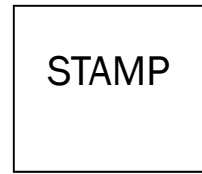
size of their graduating classes when the baby-busters came through school. The overall number of college graduates since the baby-busters left high school has actually gone up because more students who might not have gone to college are being pulled into the system of higher education. And it is college graduates who are most in demand by employers.

What's more, not only will the general population continue to grow, so will the labor force, according to the study. The Bureau of Labor Statistics estimates that the labor force will rise from 153 million in 2000 to 159 million in 2010. The assertion that the labor force will be smaller in the years ahead is, Cappelli says, simply wrong. Moreover, the baby-bust cohort will be followed by an even larger generation of people, who are now in their teens and 20s.

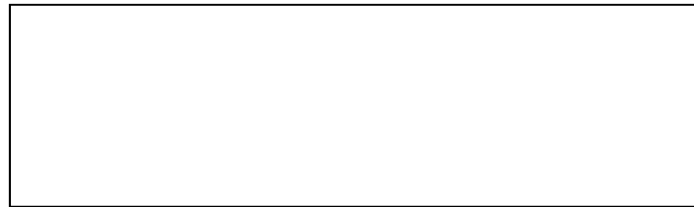
*“not only will the population continue to grow, but so will the labor force”*



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First Class Mail



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## HOW TO DRESS DOWN AT WORK

BY SUE MOREM

Younger workers weren't working years ago when most workplaces were quite formal and casual dress was reserved for time off of work, so dressing casually may be all they are accustomed to.

Remember, what you wear matters—clothes make the person and are a key component of how others perceive you. It can impact how you are treated and determine a job offer or contract extension. As consultants we want to create an image of professionalism and credibility.

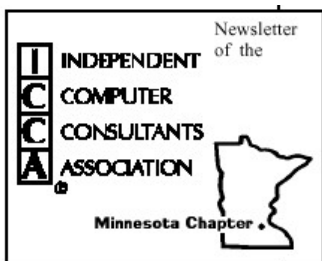
The following should never be worn to work unless specified as permissible:

- Jeans
- Ripped or torn clothing (even if it came that way)
- Work-out or athletic gear
- Spandex or any fabric that is body-hugging and tight fitting

- Baggy, oversized or extremely low-rise pants (watch for undergarments that show when sitting down)
- Shorts and mini skirts
- Sleeveless and low-cut tops (no cleavage or undergarments should be exposed)
- Tank tops, muscle shirts and tube tops
- Flip-flops and most sandals
- Sweatshirts and sweatpants
- Hats, caps, visors and other headgear

Finally, if you are in doubt, leave it out! Nothing is more embarrassing than being sent home because of the way you are dressed, and it has happened! You are always better off being slightly overdressed than underdressed; too dressy is better than too casual, so take the time to think about what you wear because it does matter.

Full article:  
[http://www.careerknowhow.com/ask\\_sue/dress-down.htm](http://www.careerknowhow.com/ask_sue/dress-down.htm)



*When You Hire One of Us, You  
Get Our Collective Knowledge and  
Experience*