



CONSULTANTS IN MINNESOTA

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PRESIDENT'S MESSAGE

BY
WADE HERSCHBERGER

Greetings,

Many thanks to Joan for leading the discussion about what we want to be when we grow up. I thought it led to a lot interesting discussion by the group. It reminded me again of how much so many of our members put into this organization.

Driven by my search for a new computer carrying case (the old one was falling apart, broken zippers, etc), I was thinking about how, as an independent consultant, how important this case is. Although I have 'real' office space in my home, my case is really my portable office. I spend a majority of my time away from my real office at customer sites or places in-between. I suspect there are many of you are in the same situation.

So what does having a portable office mean? Obviously, I can't carry whole filing cabinets of paper around. If I look in my

Next Meeting

Tues, Nov 18

"Building Your Business with FREE publicity"

By Rita McCormick

Wyndham Garden Hotel

Social Hr: 5:30 Dinner 6:30

Members \$25 NonMembers \$28

RSVP@ICCA-MN.org

case, I have a lot of stuff – much more than just my laptop. I have laptop-related accessories such as the power supply and a mouse. I also carry a security cable to lock up my laptop at customer sites when I'm away from my assigned desk - can't be lackadaisical anymore because some employer is responsible. There are a large number of cables to store. My cell phone data synchronization

cable, network cables, cell phone charger, and a phone cable for dial-up access. A relatively recent addition is a portable (PDA-size!) 60GB hard drive that greatly reduces the number of CDs I have to carry with me, but added a power supply and USB cable. I recently jettisoned my floppy drive and disks because I carry bootable CDs for things like Ghost for emergency restores – I can't afford to have a system corruption disable my lap-

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A NEW RETIREMENT SAVINGS OPPORTUNITY

BY ERIC.GIBSON@MUTUALOFOMAHA.COM

Changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) have increased the amount of 401(k)/profit-sharing plan contributions that an employer may deduct each year and created a new opportunity for self-employed individuals, partners and other owner-only businesses - the owner-only 401(k).

Pre-EGTRRA

Ed, age 55, owns EJ Services, a small corporation with a profit-sharing plan. Ed is the

company's only employee. In 2001, Ed drew \$100,000 in compensation, and EJ Services contributed \$15,000 to his profit-sharing plan account. Under pre-EGTRRA law, the maximum amount of annual additions (generally, employer and employee contributions and any allocated forfeitures) that could be allocated to a participant's profit-sharing plan account was the lesser of 25 percent of compensation (\$25,000 in this

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PRESIDENT'S MESSAGE CONT.

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top, especially if I'm on the road. I carry other miscellaneous office items such as spare business cards, a presentation pointer, my business check book, miscellaneous medicinal supplies, pens, name tags, reading glasses (it's a drag getting old!), local maps, etc. Finally, my portfolio with note paper, resumes and contract forms. Depending on the customer, I usually have some paper files specific to a customer along with me – not everything can be put on-line ?.

All of these items mean I need a larger than normal carrying case, preferably one with lots of pockets. Fortunately, over the years carrying cases have improved and addressed these issues. My current case was about the right size (extra large) didn't have nearly enough pockets – and with all those cables, things were often a tangled mess. Cases now have many more pockets than a few years ago. There are also large cases, but unfortunately the only large cases that are stocked on the shelves (and I checked a LOT of stores), are the ones with wheeled carts. I just don't like the extra bulk that the hand and wheels add to the case. My doctor would probably prefer I used a wheeled cart though, because the weight of my bag is up around twenty pounds. I keep trying to reduce the weight, but the requirements of a portable office keep the minimum higher than I'd like. It doesn't help that I have a fairly heavy laptop because I wanted a large screen (15" 1600x1200) with a lot of horsepower.

An important part of my portable office is keeping as much stuff in on-line files as possible. I keep a copy of my QuickBooks information on-line, even though the official source is my bookkeepers (also known as my wife, Cindy) computer. My regular nightly backup creates copies on both my laptop drive as well as an offline copy to a network file server. My emergency restore Ghost images are on my portable hard drive. In addition, I keep several GB of reference material on-line. I find using VMWare for development environment testing invaluable for prototyping and demonstrations at customer sites, so my VMWare virtual machine images have to be on-line also. Between my internal hard drive and external portable drive, I have almost 120GB of storage with me at all times. Remember when that was enough storage for a whole department?

My initial requirements for a portable office were driven by my previous job as a technical sales representative/consultant. What I've found is that I needed to refine my requirements, because, while very similar, there are differing requirements for an independent consultant. I also find that as technology changes, it drives changes in my portable office solution. For example, the portable hard drive and wireless connectivity both caused significant changes in my portable office solutions.

I'd be interested in knowing what your requirements for a portable office are.

Wade Herschberger

ICCA-MN BOARD OF DIRECTORS MTG

Attended by Wade Hershberger, Norm Nelson, Jack Rose, Rob Newman and Larry Bremer.

Marketing ICCA

Much discussion centered on how to market ICCA. Remarks included: the image should be "the place to go for consulting, use of radio spots such as "for consultant, call ICCA @", and a caution that while referrals can be handled, we as a chapter cannot be in the business of marketing consultants.

Merchant Credit Cards

The opportunity to pilot a Merchant Credit Card program has been presented to us from National. Two variations: 1. The chapter could accept credit cards for its services (dinners). The consensus was that while convenient, it would not generate enough additional revenue to cover the expense involved. MSP to table. 2. The members could become merchants in the credit card sense and accept credit cards as payment for services and/or products. Member organiza-

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Brand Recognition

"ICCA, the Place to Go for Consultants"

A NEW RETIREMENT SAVINGS OPPORTUNITY CONT.

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example) or \$35,000. However, the amount a plan sponsor could deduct generally was limited to 15 percent of the total compensation of covered employees. Hence, EJ Services' smaller contribution.

EJ Services could have included a 401(k) salary deferral feature as part of its profit-sharing plan, and Ed could have contributed up to \$10,500 of pay to the plan (in 2001). But that would have been pointless. Under the old law, the maximum deductible contribution to his account still would have been just \$15,000. For purposes of the deduction limits, employee elective deferrals to 401(k) plans had to be treated as employer contributions and, thus, were subject to the general deduction limits.

Post-EGTRRA

In 2003, Ed is still drawing \$100,000 compensation. However, this year EJ Services will be able to make a deductible contribution of \$25,000 to his plan account because EGTRRA increased the deduction limit to 25 percent of total compensation for all eligible plan participants. In addition, elective 401(k) deferrals are

no longer considered employer contributions for purposes of the deduction limit, and the maximum annual addition limit has increased to 100 percent of compensation up to \$40,000.

Thus, if Ed adds an owner-only 401(k) feature to his company's retirement plan, in 2003, he can defer up to an additional \$12,000 in regular 401(k) contributions, plus \$2,000 of catch-up contributions (available to individuals age 50 and older). The total contribution opportunity in 2003 would thus be \$39,000, compared to \$15,000 in 2001. Moreover, EJ Services could deduct the total contribution.

Other Advantages

Unlike many other retirement plans, an owner-only 401(k)/profit-sharing plan requires no annual employer contribution, and no discrimination testing is necessary - as long as the business has no eligible employees who are non-highly compensated. Owners' spouses who work in the business generally can participate in owner-only 401(k) plans as well.

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ICCA-MN BOARD OF DIR MTG. CONT.

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tions interested in accepting Credit Card in payment should visit the national web site for additional details.

e-mail of Chapter Newsletters

Email of Newsletters. Jack volunteered to send the email out announcing the availability of the newsletter on our website (in PDF format). Members are encouraged to let me (Larry Bremer) know of their preference for an email newsletter - this will get it to you more quickly and save us a few dollars each month in postage and printing. Let me know if you want both email and snail mail copies or if you want only email or only snail mail. The strictly business prospects will be offered email newsletters only.

Officer Nominations

Nominations are being sought for the offices of: Treasurer, Secretary and President. If you have interest (or know someone who might be

interested) you are encouraged to contact one of the existing officers for details.

Broker Fair

The long standing Broker Fair was an annual event every January. In light of the changing industry and the waning attendance by broker companies, MSP to not do the Broker Fair this year but to reconsider it again for January of 2005. Discussion centered on the possibility of a "grow your business" workshop, possibly led by Rita (our November speaker) with the hope of attracting prospective members and retention of existing members.

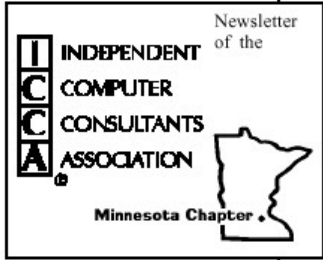
Dinner Meeting Fees

Dinner meeting fees were discussed. Thoughts included offering a prospective member a voucher to attend the next meeting at reduced (free) rate.

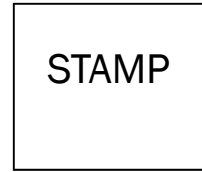
MSP for the ICCA chapter to cover the cost for lunch.

**Officer
Nominations!**
*Don't wait for the
Draft, nominate
someone else to
serve for you.*





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First Class Mail



MEDIA PROJECT IS GETTING ORGANIZED

BY JACK ROSE

I forget which member coined the expression, "stealth organization." Sadly, few people outside our chapter know of its existence. That's something everyone agrees ought to change. And here's our latest effort in that direction.

Rita McCormick, whom you may remember as the speaker at our June 2002 meeting, has agreed to come back for a repeat performance in November 2003. In addition, we're planning to utilize Rita's professional services in a two-pronged action to gain both (1) name recognition for ICCA and (2) media exposure for individual Minnesota computer consultants. There will be a lecture and a workshop.

Part one is our monthly meeting Tuesday, November 18 at the Wyndham. Rita will be our speaker and you'll leave with a head full of ideas to publicize your business and a new spring in your step once you've heard of

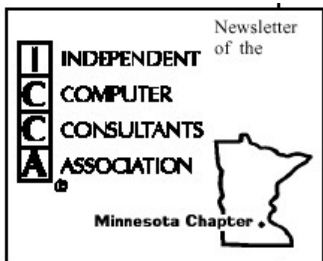
some of her successes.

The second part is our business building workshop Tuesday, January 20 at Axel's in the Radisson Roseville. Invite as many guests as you like (but please tell us how many are coming). Consultants who attend will be able to develop individual plans with step-by-step instructions for gaining a reputation as a local expert, choosing your audience, setting your prices, and sharing your success stories. Rita will be there, and we'll be asking some of you old-timers to help out the younger talent (like me) in growing and maintaining a healthy consultancy.

The January workshop replaces the broker fair, which we've decided to skip for a year.

Resources will be up in the members-only section of our Web site by the time this newsletter gets out. Please visit, ask questions, voice your opinions and offer your help.

Jack



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