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As The Stock Market Soars - Is There Still Money to Be Made?

Technology Stocks Continue to Soar - Everyone is a Winner?

Over the last few years it seems like all one had to do was invest in technology stocks and you could make your fortune. In the San Francisco and Boston markets it was not unusual to find programmers and other in the industry who made fortunes because they were in the right organization when the IPO was completed. It seems like there was no way to lose money. Well that is not the case. There were some investments that just should not have been made.

At the same time as the market settles down some good investments can be culled. The key is having good information and a approach which will allow you the ability to pick the winners from the losers. In the IT world we often have a first hand view of enterprises that are going to be leaders in the market. One of the best examples has been Microsoft. Over the last several years it has increased in value almost like clock work. Microsoft stock in the early nineties doubled in value every two years. That pace has accelerated to doubling in value every year. The chart on page two depicts the price of the stock versus the number of shares traded (adjusted for stock splits).

In the early 90's the average daily value of Microsoft traded was \$50MM dollars. In March of 1999 between 3 to 4 billion dollars of Microsoft was traded daily. Assuming that

Skills Necessary To Get A Job And Succeed Have Changed

Technology Is Now The Holy Grail Of Human Resources - No PC Skill No Job

You can not read anything, watch anything on TV or even talk to your kids today for longer than an hour without someone mentioning the Internet or Information Technology. Recently there was a lead national story on a computer virus that infected some of the largest corporations in the world. Not only was the virus the lead story during the week, but on the weekend all of the Sunday morning talk shows at least mentioned it. What was the most striking was the other lead story was about NATO bombing Serbia.

Politicians are even jumping on the bandwagon and trying to take credit for new technologies. The Vice President has even taken credit for inventing the Internet, however there are a fair number of academics at UCLA who would disagree with that

statement. Who would have thought that it would be politically correct to be a computer nerd.

Now schools are viewed as behind the times if they do not have a PC to student ratio of less than one PC for every four students. Executives who do not have a PC or at least a Palm Pilot are viewed as technologically obsolete. MBA's who are not expert with a PC have wasted their education. Hotels that do not have data modem ports are being remodeled. What we have is a society that is now driven by technology.

Finding a good job is now more about what skills the employee brings versus the enterprise providing the opportunity to learn a job. Those who do not have basic computer skills need not apply for



**Will This Plane Fly
On Jan 1, 2000?**

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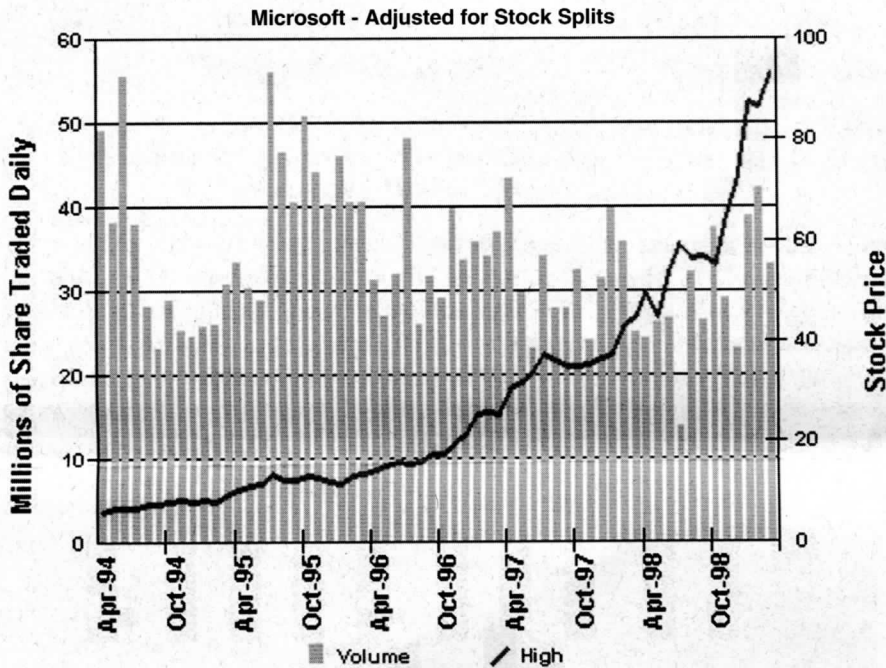
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just look in the back yard of corporate America's IT departments you will see the winners.



Microsoft - As corporations complete the Y2K, and as Office 2000 and Windows 2000 are released, Microsoft will have generated billions of dollars in sales. It is estimated that there are over 120 million windows workstations that will need to be upgraded in the next few years.

Cisco - The king of routers (a necessary component for the Internet) continues to mint money as it leverages its market share in the West and its contracts in China.

At Home and Mediaone - The internet and cable TV connectivity are going to be a reality. The Internet today is like the railroads of the late 19th century. It is going to change the way that we live.

technology is not going away, Microsoft still has some growth left in it. If not, there will be a lot of mutual funds and smart investors who have guessed wrong.

Just because a company is in technology does not mean that you will make money on them. Look at the darling of the 1980's, Apple, which is now in an everlasting tailspin to oblivion. While the rest of the technology market is helping the Dow to break 10,000 and NASDAQ to reach new highs, selling Apple short might not have been a bad idea.

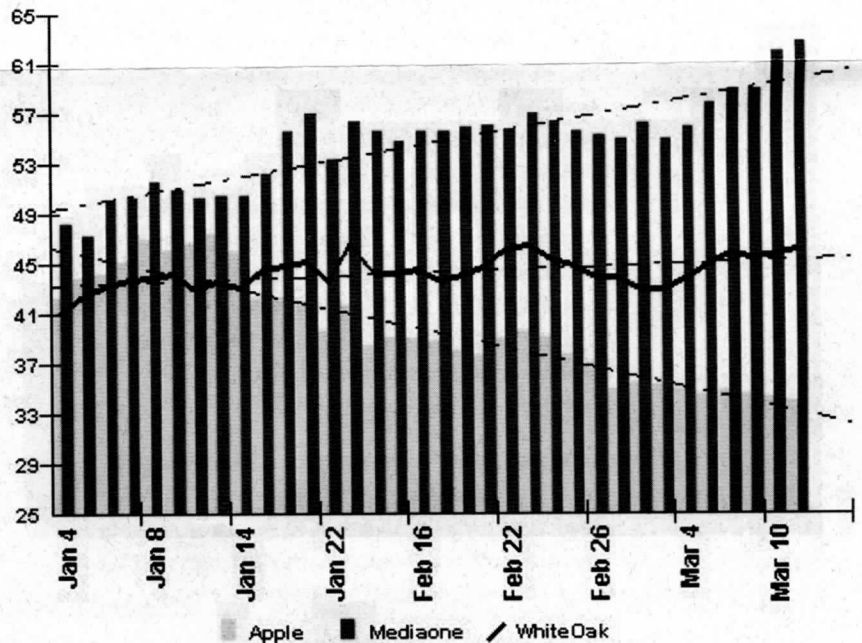
These two organizations are big players who have the necessary capital and backing to succeed.

All of the charts presented here were generated with Zinnote® from data that was mined from the Internet from various free data sources. These are our predictions and anyone who uses this advice does so at their own risk (our attorney made us say that).

So what is a person to do who wants to invest in technology stocks and does not have the capital or time to find the right company among the household names of the industry. They can guess and hope they find companies like Mediaone that have outperformed the market or they can find a mutual fund that will help to minimize the risk of investing in this volatile market. The chart on the lower left of this page shows how Apple, Mediaone and White Oak mutual funds have performed in the first quarter of 1999.

Given the economy continues to do well there will be a large number of winners in the technology market. The challenge will be to find the ones that are winners. If you

Apple vs Mediaone vs Mutual Fund



Skills Necessary To Get A Job And Succeed Have Changed

(continued from page 1)

Anything other than the most menial of positions. To work in a restaurant you need to interact with a computer, be you a cook, waiter, waitress, bartender or manager. The only job not requiring computer skill are bus boy and dishwasher. Looking in the office environment, few jobs with responsibility exist that do not require a computer.

One of the first questions that is asked in a job interview is, "Are you computer literate?" That is then followed up by, "Do you know Windows?" People who do not have these skills can not get the good jobs.

In today's workplace, you can no longer find a job in accounting, finance, distribution, production, manufacturing and order processing unless you can type and use a mouse.

With today's tight job market enterprises will take the time to train some. That does assume that the individual can learn these skills. However, as the job market opens up - and it will - it will become impossible for people who do not have those skills. Now is the time to learn these necessary skills.

At the "management" levels you not only have to be computer literate but you have to know how to use several products to be viewed as a star performer. As a matter of fact many performance evaluation forms now list computer skills as a necessary component of overall job performance.

Recently when I was teaching at an internationally known Graduate School of Business in their MBA program, I was shocked to see how poorly prepared the students were for the work world. Few had fungible PC skills and felt that they could succeed by being on the right team. Little do they know that what succeeds in the job market today is the individual contributor. The person who can get the job done with the least amount of support from others. The best team player is the person who can do the job and know how to leverage the technology to get it done quickly and cost effectively.

Look at the workplace today. Most people who have business cards now list their e-mail address on them. When was the last time you were in a meeting that someone did not have a Palm Pilot or a computer? Scheduling a meeting is now an electronic exercise (seeing how to fit something in).

This means that some new skills are necessary for everyone. Gone are the days of the executive or middle manager who depends on staff to get work done. In effective organizations everyone gets work done.

Given this new world, there are a number of skills that are now mandatory for everyone. They include:

- ◆ **Word Processing** - Secretaries no longer exist for middle and many upper managers. Memos and e-mail force most people to know how to do this task. An added skill is to know proper English. Even if you know how to use a PC, if you do not know how to write a clear thought you are lost.
- ◆ **Spreadsheets** - Everything is done with spreadsheets today from sales analysis to office supply inventory. Concepts like adding or subtracting are no longer just in the domain of the accounting department.
- ◆ **Presentations** - Meetings are held both in person and electronically. Thoughts have to be brought together that convey ideas, and do so quickly.

Now that means that the basics of "Reading, Writing and Arithmetic" are required and then you have to know how to do that with a computer. When was the last time that you talked to a new entrant to the job market and saw that they had these skills. If you have you are lucky.

As we embark on the new information age, all of us will have to constantly learn new skills. On the news the other day a mother said she gets notes from her son in the Gulf via e-mail every day. That says it all. ☛

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Forecast for the National Information Technology Market

Wanted - IT Profession will see more CIOs turn over in the next 12 months

by M. Victor Janulaitis
Internet address: victor@psrinc.com

The job market has never been tighter and the prospects for good CIOs are great. With that as a preamble, let me say that in the next few months the velocity of change in the top positions will be greater than it's ever been. There are a number of driving forces that are just starting to be seen in several sectors of the economy.

The aging of the current population of CIOs - Many CIOs are now starting to reach the point where retirement is starting to become a reality. Until now the IT function was the newest and "youngest" in many enterprises. However, today the average age of the top CIOs is over 50. This is a first for the industry that has prided itself on being a bastion of youth. There have even been a number of articles in the industry magazines about "age discrimination" in the industry. A week does not go by without an article about one more industry leader retiring and going to walk on the beach.

Y2K has resulted in a stagnation of new development - As enterprises have worried about this problem, so much of the IT resource has been focused on it that "new" and "needed" IT initiatives have been put on hold. This has resulted in a growing frustration that has not been a

good omen for senior IT executives' relationships with their main customers. Even the smallest failure in Y2K will result in CIOs being replaced.

The aging desktop is going to be a major limitation that will require a massive infusion of capital and other resources - The average desktop in corporate America is a 133 processor, with 32 meg of memory and running Window's 95. As Windows 2000 rolls out and Y2K passes there will be a push by enterprises for the "new" and "needed" solutions. The first stumbling block will be the fact that enterprises will have to spend \$2,500 to \$4,000 per employee workstation to just do the job. The question of why CIOs let the enterprises fall behind will be a driver in loss of confidence in the current leadership.

All three of these factors are going to quickly come into play. Good CIOs will have their phone ring and as they move along it will be more and more difficult to find the individuals with the right skills and experience to manage the function. One of the results will be an increase in the salaries that are commaded by the best of the best. Another will be an increased use of consultants and outsourcing to manage the day to day functions of operations and development

As this happens there will be a move back towards centralization of the IT function within many enterprises. With so few "good managers" available more will be placed under the umbrella of the centralized IT executive. Look for this to be a great opportunity if you are the right person in that position as the responsibility and scope increases.

If the economy hits a bump along the way, this process will only be accelerated. Remember in many enterprises there continues to be a frustration with the lack of progress and an increase in complexity that is laid on the doorstep of the IT function.

The most common reason that will be given for a need to replace a CIO is that they have not positioned the enterprise to meet the needs of the new millennium.

One CIO that was replaced recently had just gone into senior management and said that Windows 95 was not Y2K compliant and the enterprise needed to spend over \$20MM in un-budgeted funds to "get around" this problem. The good news was they allocated the funds, the bad news was the CIO was replaced -- in less than one week!!

Vic

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Location	Prospects Short Term	Prospects Long Term
Northeast	Excellent	Excellent
Mid Atlantic	Excellent	Good
Southeast	Excellent	Good
South	Good	Excellent
Midwest	Excellent/Good	Excellent
Southwest	Good	Excellent
West	Good	Good
Pacific Northwest	Good	Good

Best Location	Northeast	Northeast - Midwest
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