

“If somebody walks in and says they want a bike that is unique and nobody has, we can build it.”

Kevin Decker,
Horsepower Harley



DAVID THOMPSON/Sun-Gazette

Left to right are Horsepower Harley-Davidson general manager Kim Dugan, chief operating officer Kevin Decker and owner Lewis DeNaples. “If you can dream it, we can build it,” says Decker.

Leading the pack

Growth prompts relocation for cycle dealership

By DAVID THOMPSON
Sun-Gazette Staff

LINDEN — It's still a kid as far as businesses go, but a growth spurt has made it necessary for Horsepower Harley-Davidson, 6465 North Route 220, to plan a move to a much larger facility at the former Pep Boys site at 1910 E. Third St., Loyalsock Township.

“The facility is too small for our needs, point blank,” Kevin Decker, chief operations officer, said Thursday. “We've outgrown it in a short period of time.”

The move is expected to be completed in July, Decker said.

Founded in late October 2002 by Lewis DeNaples, a Scranton-area emergency room physician, Horsepower Harley-Davidson not only features

(See LEADING, Page D-3)

Spring open house planned

On Friday and Saturday motorcycle enthusiasts will have an opportunity to attend Horsepower Harley-Davidson's spring open house at the Linden location.

The event will feature discounts throughout the store, as well as a Saturday lineup that includes a bikini bike wash from noon to 4 p.m., a ride-in bike show, biker mama and biker dude contest, new fashions, a tattoo contest, live radio broadcast and live entertainment with the Riverside Blues Band.

Decker said more than 30 vendors and between 3,500 and 5,000 motorcycles will be on hand for the open house. Festivities begin at 9 a.m. Saturday.

It's just one a series of events the company has scheduled through June.

“We pride ourselves in holding events at our dealership so people can see what we're all about, meet us in person and see what our capabilities are,” Decker said.

“We give people a destination to ride to,” he said. “They'll feel warm and welcomed here.”

Horsepower Harley-Davidson is open from 10 a.m. to 7 p.m. Monday through Thursday, 10 a.m. to 8 p.m. Friday, and 9 a.m. to 4 p.m. Saturday.



PEYTON D. McDONALD

INSIGHTS AND Opportunities

The art of rebalancing

Investment success begins with a sound asset allocation plan — one that matches an investor's financial goals and his or her tolerance for risk.

But it doesn't end there. By analyzing the expected performance of different asset classes, investors can seek to construct portfolios that will — over the long run — yield the highest possible return for a given level of risk.

Rebalancing is the process of making periodic adjustments to an investment portfolio to help to ensure that it remains on course with a long-term investment strategy.

The objective of this article is to provide information on some of the most popular portfolio rebalancing strategies and help you understand how important periodic rebalancing adjustments can be to help ensuring your long-term investment success.

Choices of strategies when rebalancing:

• **Periodic Rebalancing:** Period rebalancing requires a portfolio to be reset to its target allocations on a fixed schedule — such as monthly, quarterly or annually.

This strategy has the virtue of simplicity, but can require frequent, minor adjustments.

It can also be very rigid, and doesn't allow investors to temporarily overweight asset classes or sectors that are expected to outperform over the shorter term.

• **Threshold Rebalancing.** This strategy requires portfolios to be adjusted if and when a particular asset

(See THE, Page D-3)

Upcoming

Bucknell business center schedules two workshops

LEWISBURG — Sara Dodge, president and CEO of The Communication Works Inc., will present two workshops Thursday, May 27, in Larison Dining Hall at Bucknell University.

Dodge will discuss “How to Mind Read Your Customers” from 9 to 11:30 a.m. and “Doing What's Most Important Today” from 12:30 to 3:30 p.m. In addition, an “Etiquette Luncheon” will be held from 11:30 a.m. to 12:30 p.m.

The first seminar will examine increasing sales by learning customers' preferences, handling difficult customers, nonverbal communication and closing the deal. The second will offer suggestions on time and sales territory management as well as setting up sales calls and appointments.

Prior to founding The Communication Works Inc., Dodge held management positions at Procter & Gamble, Memorex, Apple Computer and other market leaders.

Her clients include companies in the Fortune 500, federal, state and local government service providers, foreign corporations and higher education institutions.

The seminars cost \$20 each and the etiquette luncheon is \$10. Registration is required and may be done by phone, email or at the business center's Web site.

To register, call 577-1249, email SBDC@bucknell.edu, or online at <http://www.bucknell.edu/sbdc/seminars.html>.

Professor examines success, evolution of Amish-owned businesses

By MARK SCOLFORO
Associated Press Writer

NEW HOLLAND — The 10 Amish and two non-Amish employees of Country Lane Woodworking assemble and package pressure-treated wooden gazebos inside an unadorned building at an industrial park just south of town, shipping them across the country and even overseas.

Co-owner Jonas Stoltzfus said the business got started on his father's nearby farm about 10 years ago. It is one of hundreds of Amish businesses that have sprung up over the past decade, a trend that is the focus of a recent study.

“It's easier to get work in this type of industry, because there's such a big demand for this. And farmland in this area is limited,” said Stoltzfus, 28.

Most of the Amish families in southeastern Pennsylvania's Lancaster County were farmers as recently as the 1970s, but over the past 20 years they have branched out

and established a variety of enterprises, said Elizabethtown College professor Donald B. Kraybill.

The new second edition of Kraybill's 1995 book, “Amish Enterprise: From Plows to Profits,” examines how the accelerating spread of Amish entrepreneurship has increasingly drawn them into the mainstream and created unprecedented disposable wealth for some while posing new challenges to the preservation of their traditional way of life.

“In the past, these people were making very small handicraft items in a basement of their house or in the attic of their house. This is really a whole new stage in the development of Amish business,” said Kraybill, who has written seven books on Amish life and culture and is senior fellow in the Young Center for the study of Anabaptist and Pietist groups.

The book says the Amish are increasingly turning away



DONALD B. KRAYBILL

from agriculture and looks at marketing strategies Amish businesses have devised to reach a wider customer base for their products despite limited use of technology. They manufacture furniture and storage sheds, make crafts and trinkets for the tourist market,



ASSOCIATED PRESS

An Amish worker drives a forklift at DL Truss, an Amish owned business, in New Holland. A new study of Amish businesses concludes that their “stunning success” in recent decades has drawn them into the mainstream economy.

and transform agricultural commodities into consumer products.

“I would say that the development of these businesses is the most significant and the most transformative change that they've experienced in the last century,” said Kraybill, co-

author with Goshen (Ind.) College history professor Steven M. Nolt.

The number of Amish enterprises in Lancaster County rose from about 940 in 1993 to about 1,600 in 2003, and employment within those businesses grew by 85 percent over

the same decade, according to the book.

“The hundreds of Amish industries scattered across Lancaster's landscape represent negotiated cultural bargains that blend the historic strands of a religious subculture with the commercial patterns of the modern world,” according to the book.

Within the Orlan Business Park that contains Country Lane Woodworking, Amish businesses make backyard sheds, barbecue grills, decking and roof trusses. Delivery trucks dodge horse-drawn buggies on the access road that serves the park, and the bicycle scooters some Amish use to commute to work are parked alongside automobiles belonging to non-Amish employees.

Amish entrepreneurs also have built successful businesses elsewhere — furniture-making around Wooster, Ohio, sawmills in New York and western Pennsylvania, and masonry and construction (See PROFESSOR, Page D-2)

STOCKS Of Local Interest

52 Week		Stock	Div.	Yld.	PE	Vol	Last	Chg
Hi	Lo							
23.18	16.17	AT&T	.95	5.7	8	38616	16.72	+01
49.32	29.06	Alcan	.60	1.6	51	12659	38.15	+19
53.28	43.75	Alltel	1.48	3.0	13	10006	50.07	+48
27.24	18.47	ApldIndl	.48	1.8	18	651	26.11	-13
15.50	9.81	BEASys	30	732724	8.35	-243
47.76	35.64	ClearChan	.40	1.0	21	44515	40.00	-18
53.50	42.28	CocaCl	1.00	2.0	26	42701	50.00	+39
45.01	35.31	IntPap	1.00	2.5	59	29622	40.77	+12
43.41	32.60	Kellogg	1.01	2.4	20	11555	42.02	+23
98.98	82.90	M&TEk	1.60	1.9	17	3177	85.79	+25
39.60	27.41	Nas100Tr	.01	1306616	34.75	-26
47.23	36.50	PPLCorp	1.64	4.0	11	6819	41.17	+82
48.50	37.64	PennsWd	1.40	3.2	13	12	44.11	-13
55.48	42.38	PepsiCo	.92	1.7	25	31914	53.75	+60
63.16	35.40	SPXCp	1.00	2.4	12	4106	41.97	-29
20.64	11.95	SoUnCo	.83	...	17	2597	19.90	+26
25.20	14.92	SovgrnBop	.12	.6	14	14725	20.40	...
22.92	17.75	SunBcPA	.73	3.2	28	326	22.99	+63
27.99	22.10	SusqBnc	.88	3.8	15	800	23.05	-07
59.63	31.23	Textron	1.30	2.4	32	3582	53.43	-01
49.49	33.60	Wachovia	1.60	3.5	14	32900	45.72	+13
37.48	31.02	WeisMk	1.12	3.4	16	157	33.15	-19
39.40	22.70	WestPhm	.84	2.2	16	317	37.55	-45

MORTGAGE RATES

Provider	Term	Own.	Pts.	Rate
Alcat Mortgage Company	15F	20	.75	5.625
	30F	20	.75	6.25
	3/1ARM	20	0	4.25
Jersey Shore State Bank	5/1ARM	20	0	5.00
	30F	3PHFA	1	5.00
First United Mortgage	30F	3PHFA	0	5.50
	1/30V	5	0	3.625
FNB Bank, NA	1/30V	5	1	3.125
	15F	5	3	5.375
State Farm Bank (877) SF4-BANK	30FPHFA	3	0	5.5
	5/1V	5	3.0	4.75
	3/3V	5	3.0	4.5
Northwest Savings Bank	15F	5	0	5.75
	30F	5	0	6.50
PSECU	15F	5	3	5.375
	30F	5	3	6.125
	15ARM	10	0	3.490
Sovereign Bank	30ARM	10	0	3.990
	15F	5	3	5.125
	30F	5	3	5.875
State Farm Bank	1/30V	5	3	3.125
	5/1ARM	5	3	4.75
	15F	20	-5	5.875
Woodlands Bank	30F	20	-25	6.375
	3/1ARM	20	-125	4.5
	1yr.ARM	20	-125	4
Wachovia Securities	15F	5	3.00	5.125
	30F	5	2.25	5.75
	30F	0	3.875	6.00

Leading the pack; Horsepower Harley's growth prompts move

(From Page D-1)

motorcycle sales and service, but just about everything else related to Harley-Davidson — T-shirts, leather clothing and gear, leather and chrome motorcycle parts and accessories, collectibles — even clothing and collectibles for kids.

The new location will approximately triple the floor space available at the Linden site, said Decker. That will allow the company to expand what is already a facility capable of doing everything from repair service and performing custom painting and powder coating to building a bike from scratch.

"We do bike design and construction from the ground up," said Decker. "If somebody walks in and says they want a bike that is unique and nobody has, we can build it."

"That's what separates us from the rest of the pack," he said. "They don't have the experience and capabilities we have."

Horsepower Harley-Davidson's motto, he said, is "If you can dream it, we can build it."

While the present location does feature a fairly large amount of "motorclothes," collectibles, parts and accessories — there just isn't enough space to display the thousands of items on the market that contain the distinct Harley-Davidson logo.

The new location will allow the company to expand its product line and service across the board. There will also be a lounge containing a pool table, big-screen TV and leather sofas and chairs for people waiting for their bikes to be serviced or for Harley-Davidson enthusiasts who just want to stop by and hang out with other Harley people, Decker said.

It's all part of a move to improve Harley-Davidson deal-



DAVID THOMPSON/Sun-Gazette

Work is under way at the former Pep Boys in Loyalsock, where Horsepower Harley plans to move in July.

ership standards, he said. "The 'mom and pop' days are over with," he said. "New dealerships are more uniform, up-to-date, modernized and family-friendly."

Decker called the new site "prime real estate" and said its location on The Golden Strip will make it more accessible to customers.

"It's not just a new facility, but it's also in a better location surrounded by businesses that would tie into the whole persona of the motorcycle enthusiast, such as restaurants," he said.

While the physical characteristics of the new location will improve many aspects of the company, there is one thing that will not change, said DeNaples — the quality of service provided by Horsepower Harley-Davidson staff.

"We have good people," DeNaples said. "If we had to pick between a new building and a good staff, it's got to be the staff."

"I think we've built a good team," he said. "We have the right people and the right product."

"We hire the best in the business so when you walk in, you won't be greeted by somebody who isn't experienced," Decker said. "It's not just about selling a motorcycle, but getting a customer for life and making them happy."

Decker, who came to the company via an eight-year stint as a national account manager for Black and Decker Corp., said working around Harley-Davidson motorcycles and people is right where he wants to be.

"There's nothing better in the world than being around motorcycles all day long," Decker said. "Especially the whole culture behind the scene that comes along with Harley-Davidson."

That culture has seen some big changes since the days when guys on motorcycles were stereotyped as outlaws.

"There's that image that gave bikers a black eye years ago, but now there's doctors, lawyers, businessmen, hard working-class people — everybody and anybody — involved," Decker said.

New customers include Baby Boomers who now have the time and income to devote to motorcycles, he said, plus an increase in the number of women who are buying motorcycles.

"The wall is down," he said. "People are coming in who normally wouldn't come into a Harley-Davidson facility."

They're investing in a uniquely American product that is known throughout the world.

"It's an American icon — a legend in itself," said Decker. "There is nowhere you can go in the United States or the world where they don't know what a Harley-Davidson is."

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CERTIFICATES OF DEPOSIT

FNB Bank, NA			Horizon FCU			The Legacy Bank			Northwest Savings Bank		
Time	Int.	Yield	Time	Int.	Yield	Time	Int.	Yield	Time	Int.	Yield
6m	.70	.70	6m	2.00	2.02	6m	1.50	1.51	6m	1.09	1.10
12m	.80	.80	12m	2.25	2.27	12m	1.75	1.76	12m	1.59	1.60
18m	1.24	1.25	18m	2.25	2.27	18m	1.75	1.76	18m	1.69	1.70
24m	1.39	1.40	24m	2.25	2.27	24m	2.25	2.27	24m	2.08	2.10
36m	1.73	1.75	36m	3.00	3.04	36m	3.00	3.05	36m	2.73	2.75
48m	2.22	2.25	48m	3.40	3.46	48m	3.25	3.30	48m	3.12	3.15
60m	3.20	3.25	60m	3.50	3.56	60m	3.75	3.82	60m	3.60	3.65

PSECU			Smith Barney			State Farm Bank			Wachovia Securities		
Time	Int.	Yield	Time	Int.	Yield	Time	Int.	Yield	Time	Int.	Yield
6m	1.49	1.50	6m	1.35	1.60	6m	1.59	1.60	6m	1.45	1.50
12m	1.69	1.70	12m	2.00	2.02	12m	1.73	1.75	12m	2.00	2.00
18m	1.83	1.85	18m	2.50	2.50	18m	2.50	2.50	18m	2.50	2.50
24m	2.03	2.05	24m	2.85	2.85	24m	2.57	2.60	24m	2.85	2.85
36m	2.72	2.75	36m	3.55	3.55	36m	2.96	3.00	36m	3.50	3.50
48m	3.445	3.50	48m	4.00	4.00	48m	3.44	3.50	48m	4.00	4.00
60m	3.93	4.00	60m	4.35	4.35	60m	3.92	4.00	60m		

Woodlands Bank		
Time	Int.	Yield
6m	1.00	1.00
12m	1.64	1.65
18m	1.99	2.00
24m	2.62	2.65
36m	3.21	3.25
48m	2.77	2.80
60m	2.97	3.00

All rates and terms are subject to change. Call financial institutions for more information. Financial institutions and the Sun-Gazette are not responsible for errors.

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The art of rebalancing

(From Page D-1)

class deviates from its target allocation by more than a certain amount — such as specific percentage point.

This strategy is more flexible than periodic rebalancing, but in volatile markets it can trigger a great deal of unnecessary buying and selling.

• **Range Rebalancing.** This approach is similar to threshold rebalancing, except that when an asset class rises or falls more than the allowed amount, it is rebalanced back to the maximum, not the target, allocation.

When using range rebalancing, investors adjust their portfolios to a maximum deviation amount when they rise or fall more than the allowed amount.

• **Volatility-based Rebalancing.** Volatility-based rebalancing is based on the expected volatility of the portfolio as a whole.

When volatility rises above a certain predetermined threshold, higher-volatility asset classes are sold and lower-volatility asset classes are purchased.

• **Active Rebalancing.** This process entails the rebalancing of the portfolio to target

allocations based on an analysis of expected market conditions. This approach is similar to "tactical" asset allocation, which seeks to exploit short-term market trends.

However, it is more conservative than a market-timing approach, because changes in the portfolio tend to be relatively modest.

When considering rebalancing, it is important to understand the pros and cons. There may be higher monetary costs when rebalancing, such as commissions and tax expenses and as more changes are made to keep the investments on a target, the amount of taxes may increase as well.

The primary goal of rebalancing is to help ensure that your investments adhere to a properly diversified asset allocation strategy.

In periods of market volatility — including periods of out performance — rebalancing can help ensure that your investment strategy remains on course.

McDonald is senior vice president for investments and a financial consultant at Smith Barney in Williamsport.

Diversified investors have little to fear from rate hikes

By MEG RICHARDS
AP Business Writer

NEW YORK — The prospect of higher interest rates has many on Wall Street wringing their hands, but most mutual fund investors should have few reasons to panic.

As long as your portfolio is well-diversified, financial planners say the best way to get through a series of rate hikes is to stick to your plan, and not try to time the market's reaction to the Federal Reserve.

"If you try to time the Fed, you can't just be right, you have to be more right than everyone else, including all of those institutional investors," said Michael W. Boone, a financial planner in Bellevue, Wash. "If everyone already knows interest rates are going to go up, it doesn't do any good to buy or sell on that news today."

Concerns about higher rates took a chunk out of mutual fund returns over the past month as strong earnings failed to impress fearful investors and upbeat economic data fed their angst about higher rates. As worrisome as that might seem, however, it's not a sign you should sell.

When investors are scared and risk-averse, bonds tend to

Of mutual interest

go up and stocks go down. You can protect your gains and guard against losses by periodically rebalancing your portfolio, Boone said. For example, if your bond stake rises to a point that's higher than your allocation calls for, you can sell some of it and buy stocks. Conversely, if your stock stake rallies upward, you can sell to maintain that allocation and buy some bonds.

Bond prices have gone up recently as traders speculate about how soon the Fed will raise short-term rates. The bond market's broad consensus is that the Fed will raise rates by about three-quarters of a point by the end of the year. That, combined with an expected rise in inflation, has led many investors to take a hawkish view.

All of those expectations are "already baked in" to mutual funds, said Andrew Clark, senior research analyst at Lipper, so there's probably little to be gained from trying to reposition your holdings ahead of the rate rise. If you're contributing regularly to your investments

— a strategy known as dollar-cost averaging — you should "keep it up," he said.

"You don't necessarily want to tilt your portfolio now," Clark said. "Don't try to make any timing bets at this point ... it's not going to be worth it."

If you hate the idea of doing

nothing as the market slides into a frenzy over rates, there are some small things you could do for the margins of your account. For example, if you're adding new money into your bond holdings, you might favor funds with shorter or intermediate maturities.

On the equity side, most professional managers believe producers of consumer goods will probably be well-positioned through the end of the year.

PENNSYLVANIA STATE UNIVERSITY

Management Development Programs

Upcoming Professional Development Programs

Program	Dates	Cost
Project Management		
Fundamentals of PM	August 15-20	\$1,995
Professional Project Manager	July 18-25; August 2-6	\$4,995
Senior PM	October 6-8	\$1,795
PM Exam Prep	October 11-13	\$1,495
Management/Leadership Education		
Mastering Management I	July 18-25	\$1,995
Mastering Management II	July 25-30	\$2,395
Mastering Management III	August 1-6	\$2,395
Effective Presentations	October 18-20	\$1,495
Finance and Accounting for Nonfinancial Managers	June 16-18 or September 22-24	\$1,495
Hospitality Management		
Performance Analysis in Hospitality Organizations	July 18-25	\$2,195
Process and Quality Tools for the Hospitality Business	July 28-30	\$1,495
Health Care Management		
Dynamic Leadership for Today's Health Care Managers	August 1-6	\$1,995
Sales, Marketing, and Customer Service		
Customer-Centered Organizations	July 25-30	\$1,995
Effective Sales Development	August 11-13	\$1,695
Marketing Research and Competitive Intelligence	May 27-28 or October 21-22	\$1,095
Operations and Process Improvement		
Six Sigma Green Belt	September 8-9, 22-25; October 6-7, 20-21	\$9,995
Lean Enterprise	July 26-27	\$1,395
Applied Statistical Process Control	May 25-26 or October 26-27	\$1,095
Workplace Learning and Performance		
Strategic HR Planning	September 16-17	\$1,395
Human Performance Improvement (HPI)	July 18-25	\$2,395
Succession Management	October 6-7	\$1,395
Instructor Development Academy	July 11-16	\$1,995
Organizational Development and Change Management	June 20-25	\$2,395

Location: The Penn State Conference Center Hotel

Information and registration:
Mark Beers, 814-865-6341
<http://mdev.outreach.psu.edu>

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