

For LI businesses, 2009 is time to survive -- and thrive

BY PATRICIA KITCHEN, Published in Newsday January 5, 2009

While business watchers might be expecting companies to approach 2009 by hunkering down and drastically cutting staff, expenses and expectations -- as they try to avoid the clutches of the monster global recession -- the reality is that plenty of companies are sticking with the financial goals they had for 2008.

Last year U.S. businesses slashed nearly 2 million jobs, with Long Island losing more than 7,000 jobs. Plenty more cutting is expected in the coming months, said business owners and experts. But some companies are also looking to hire and make strategic investments by taking advantage of talent they couldn't attract in a more robust job market, said Jacquelyn Gernaey, president of Hy-Tech Consulting, a management-consulting firm in Port Jefferson.

Other businesses are looking for ways to adapt products and services for a more cash-strapped customer base. And some are trying to keep their eyes off the dismal financial numbers and on the opportunities that do exist.

"While many companies are cutting expenses and reorganizing, just as many are taking advantage of the opportunities this market provides," said Gernaey, also chief executive of [The Alternative Board of Suffolk County](#), an organization with about 80 business-owner members. "People also are looking to make sure they don't cut their nose off to spite their face" by excessive business pullbacks, she said.

Reto Hug, president of Maloya Laser Inc. in Commack and one of Gernaey's clients, said that in down times his company traditionally looks to purchase new equipment -- to get better deals, plus to have it installed when the workload is less frenetic. He just installed two major pieces of equipment plus upgraded the conference room to include a more sophisticated computer system. The idea, he said, is to "have equipment in place and production capacity to serve the next boom cycle."

And not all companies are struggling. For some, like those in factoring businesses, which buy other companies' receivables at a discount, and those who sell products and services to public schools and universities, said Gernaey, times are good.

Help (still) wanted

Indeed, ReiJane Huai, chairman and chief executive of [FalconStor Software Inc.](#) in Melville, said, "We think our philosophy is that this can be a perfect time to invest strategically" and "not shy away from acquiring any business entity that demonstrates complementary value to FalconStor," which reported a 6 percent third-quarter 2008 increase in revenues to \$19.6 million, compared with the same period in 2007. Huai said that he plans to "continue to hire people across the board." Cutting back will "only put you into a downward spiral. . . . We think we can do great with more, instead of doing more with less."

Gernaey said she sees others with hiring plans for the coming year.

"There's a lot of really good human capital out there," and businesses "have the opportunity to take advantage of getting good people," she said. But at the same time, companies will be taking stock of employees who might no longer fit in with new business directions in a tricky new economy or who, after many years of raises, "are too expensive for the job."

According to a recent survey of 3,259 hiring managers and human resource professionals nationwide, 19 percent of employers polled in the Northeast said they are planning to decrease staff in the coming year. The poll was conducted from Nov. 12 to Dec. 1 by [Harris Interactive](#) for CareerBuilder.com.

Goals remain the same

Though the employment picture may remain uncertain for some businesses, when it comes to financial goals, many are sticking with those they set for 2008. More than half of 450 companies polled in mid- to late October by Towers Perrin, a professional services firm, said next year's financial goals would be the same as this year's.

That's the case with Evan Bloom, president and co-owner of Sir Speedy, a commercial printing, copying and document management firm in Westbury. "We feel we were set back by about a year," Bloom said, adding 2007 "was our best and strongest year in our 16-year history. We expected to keep the trend going [in 2008], and that did not happen."

He said he's recently hired an additional sales representative to find new clients and has retrained a customer service representative to try to get further business from existing clients.

Certainly businesses are taking a long and hard look at expenses, everything from compensation, training and travel and entertainment budgets to the office supply cabinet. "When things are good, people are looser in their management of expenses," said Gernaey. But now she's seeing clients setting up budgets for the coming year, questioning whether the supply cabinet really needs four types of pens and if they can get by with fewer appointments with the accountant.

Making adjustments

Andrea Feinberg, a business coach in Port Jefferson Station, said that once business owners got over the "panic" of facing such difficult economic times, they started to "take a look at the new realities of our economy to find the opportunities," asking, "What elements of my business proposition are still viable, and how do I reinterpret those in the new economy?" For the coming year, she said, her clients are looking to develop new niches and strategic alliances, as well as less expensive products and services.

In her own case, she anticipated fewer new clients able to pay her hourly coaching fee, and in October she launched a series of e-classes on business coaching basics, for a more modest fee of \$29 or less for a series. Her idea was to increase volume in a product with "a significantly different price point" to offset any drop in her more expensive service.

For some industries, such clear-cut options are harder to come by. That holds true for commercial real estate, a sector hit hard by the downturn.

"I expect 2009 to be a year of continued challenges. . . . I think realistically it will be a continued year of adjustments," said Jeff Schwartzberg, incoming president of the Commercial Industrial Brokers Society of Long Island.

Still, he said, "personally I plan to remain focused on the positives and the opportunities that are created in challenging times." He cited selling office space to organizations that will move into the space, as opposed to investors, and leasing, which always offers opportunities. "Leases have lives and end at a certain time. . . . It's still a transaction," said Schwartzberg, a senior director at Sutton & Edwards Inc. in Lake Success.

He knows what to say to keep his staff focused on forward-looking goals.

"Don't focus on negativism; you consume the most precious commodity you have, your time," he said.