

LI RECESSION BUSTERS

PROSPERING IN TRYING TIMES

BY KEIKO MORRIS

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On Long Island, several small and mid-size companies are managing to surf the topsy-turvy economy, adjusting their strategies to go beyond maintaining status quo. They're not just surviving the recession, they're thriving — expanding services, hiring workers, opening more offices — and making money. Many share common traits: There's a demand for their services and their sales pitch is that they can save clients money.

Long Island Fiber Exchange found its niche with the budget-conscious. The Nesconset technology company builds fiber-optic networks and provides Internet services, two areas that are growing with the increased demand for more bandwidth. The company, which has won several bids for school district and municipal projects, said it often is able to do the job for less than its bigger competitors.

As a smaller company, its costs are lower, noted Herb Grubman, director

of sales and marketing. "So we can pass the savings along to customers, and we are typically 20 to 40 percent less than other carriers."

Fiber Exchange's revenues have doubled every year for five years, Grubman said. The company hired 15 employees last year, bringing its total to 60. Last August, the acquisition of a Plainview company allowed Fiber Exchange to offer Web hosting and Web design services, Grubman added.

Even in the new culture of frugality, private-jet charter company Talon Air has bounced back from a drop in revenue last fall and is making a case for the cost-efficiency of private air travel, its chief executive said. The Farmingdale company is about to build a 30,000-square-foot hangar and a 25,000-square-foot office building at Republic Airport, said chief executive and founder Adam Katz. Talon's sales force has tripled in 12 months and its 2008 revenue rose 20 percent, he said.

"The segment of the population that utilizes this service no longer focuses on corporate flying as a luxury solution, but how they can tie its use to an economic justification," he said.

One example: Katz said more clients are requesting discounted one-way empty legs — when a plane has been booked for a one-way flight and would otherwise have to make the return trip with no passengers.

Business consultants and coaches say they are also experiencing increased demand for their services.

"When things are strong with the economy, everyone thinks that they are 10 feet tall and bulletproof," said Lou Grassi, managing partner of Grassi & Co., a Lake Success accounting firm that offers business consulting and coaching services. "But when . . . things get tougher, companies often realize that they need help to remain strong and profitable and even to grow."

His company's revenue increased 15 percent from its fourth quarter in 2007 to the same period in 2008, Grassi said. Half of that growth came from consulting services, which include operational reviews and advice on improving cost efficiency and cash flow.

From Hauppauge to Great Neck, many Long Island businesses are thriving despite the deep recession and customer cutbacks.

How to grow in a tough economy

1 BUY LOW If a company is doing well and is in a market with continuing demand, now could be the time to acquire another company that may be struggling but has good assets for a discount. "You want to be proactive in this environment," said Thomas Shinick, an adjunct professor and chairman of Adelphi University's School of Business Advisory Board.

2 BE CAREFUL! Mergers and acquisitions often fail, so businesses considering making an acquisition need to be healthy and have business models that function well. "People who think they have a good business model and a healthy business can over extend," said Jim Hazy, an associate professor of management and entrepreneurship also at Adelphi's business school. "It never hurts to have a second opinion," he added.

3 GIVE CUSTOMERS MORE Now may be a good time to offer your customers more services. Companies that do this "are not only bringing in more money but they are being viewed as more of an all-encompassing company," said Shinick, who also runs Corporate Development Partners LLC, a firm that advises companies. "You are bringing more customers to yourself and you are bringing more interest to yourself."

4 TREND IS YOUR FRIEND Get involved in trends. "A big trend is energy," Shinick said. "The government is talking about it, the country is talking about it." That means businesses in this market don't have "to do a lot of convincing that their industry is worthwhile," he said.

5 EASE THE PAIN Offer solutions to help clients and customers keep their bearings in this economy. "If you are looking for a good business, look for something that takes away the pain," Shinick said. "We have individuals out here who are in pain with high bills."

— COMPILED BY KEIKO MORRIS

GREW BY ACQUISITION



PHOTO BY FRANK KOESTER

SNS Energy workers, from left, Bob DeMarco, Anthony Mongone, Glenn Schafer, Israel Rivera and John Manno at Parkway Village in Queens with a heating unit they installed.

SNS Energy of Amityville

an energy management firm

The company has grown from 35 employees to 135 in 2½ years. The Amityville firm has been expanding through acquisitions. It purchased a plumbing company a year ago, a small electrical company six months ago and is hoping to close on a small construction company.

SNS Energy is also moving into a 17,000-square-foot building in Lindenhurst in May.

The strategy fueling the company's growth is focused on providing more services to its customers. SNS works primarily with hospitals, school districts and firms that manage building complexes, doing everything from installing energy-efficient heat and hot water systems to

selling natural gas.

Chief executive Stuart Schwartz, who founded the company in 1968, attributes its growth to rising energy costs, which drives his customers to lower those expenses, and to a decrease in reliable companies offering similar services.

"We're proactive," Schwartz said. "You have to bring ideas to your clients, how they can reduce their energy costs and save [money by] buying energy from different sources."

One example of how SNS works is its project to upgrade the heating system of the historic Parkway Village, a 44-acre co-op in Queens originally built for United Nations executives. All the electrical, plumbing and carpentry work for this project is done by one contractor, SNS.