

Economic Development & Real Estate

Changing on the fly: Small business the lifeblood of economy

Several are thriving in economic recession; opportunity exists for others to get started and do well in Cumberland County, officials say.

By [Jason Scott](#), Sentinel Reporter

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Even in an economic recession, there is always a chance that a small business venture will become the next Microsoft or Google.

Looking at her current 11-business roster, Karen Gunnison, executive director of the Murata Business Center in Carlisle, sees that potential.

"I have to think there are people out there looking to turn lemons into lemonade," she said.

WebpageFX President Bill Craig and Express Dynamics President/CEO Treff LaPlante are also optimistic about the future growth potential of their respective businesses.

Each has been working out of the small business incubator, focused on developing and marketing products and services they hope will help them not only dominate the midstate and our regional market, but also the nation. "This area has a strategic

"Fortunately, in Cumberland County, we are not dependent on one main industry — we very much have a diversified local economy."
— Heather Sweitzer, Economic Development Specialist

Small businesses finding big opportunities

Despite the tough economy, small businesses across the Commonwealth are taking advantage of state matching funds to improve their energy efficiency and help save money in the long run.

Kathie O'Donnell, Vice President of CDL Printing & Packaging in Mechanicsburg, is one such small business

Taking the plunge

Holly Keich is very scared about the economic uncertainty right now, but still plans to move forward with her small business in Lemoyne.

In January, the Camp Hill resident decided to start Om Baby Pregnancy & Parenting Center — an off-shoot from the prenatal yoga classes she has been teaching at BeFit Body & Mind since June 2007.

"It was doing well, so I decided to expand," she said about testing the business waters. "The more I get into it, the more overwhelming it is."

Keich, who has a regular job working for Capital Area Head Start, said there are a lot of concerns about jumping into the business full-time.

"I carry all of the benefits. If I quit my job, no insurance," she said.

Her husband works part-time.

With the economy the way it is, Keich is currently renting space at BeFit, which keeps her overhead costs down. She is also seeking out free resources through the Shippensburg University Small Business Development Center, which she hopes will help her develop her idea as she works to get the word out.

"I never really thought of all the costs," she said.

The yoga classes are a way of giving pregnant mothers a chance to make connections with others in the area, she explained. The poses are focused on the things that help alleviate pains during pregnancy and might help during child birth, she said.

extraordinary resource for small business.”

The upgrade, which included T-8 fluorescent lamps with electronic ballasts, LED exit signs with emergency lighting and 180-degree light sensors, will help CDL offset their lighting’s annual energy costs by 34 percent.

Providing 50 percent matching funds up to a maximum grant award of \$7,500, the advantage grants have been available each year since 2004 to help small businesses in Pennsylvania implement energy efficiency or pollution prevention upgrades.

Since the program started, EMAP-assisted business owners have been approved for over \$1 million in funding to implement 189 projects ranging from heating and cooling system upgrades, installing photovoltaic systems, energy efficient lighting upgrades and installing geothermal heating & cooling systems to conserve energy.

Keich’s plan is to offer workshops at the center, which are related to different parenting classes, and be a place where people can find out about natural child birth options.

Learning the ropes

The Shippensburg University Small Business Development Center provides consulting services and educational programs to entrepreneurs looking to start or grow a business in Cumberland, Adams, Franklin and York counties.

Some of those upcoming programs include:

- **The First Step Workshop: Starting a Small Business** — March 10 from 1-3:30 p.m. at the Greater Chambersburg Chamber of Commerce; April 9 from 1-3:30 p.m. at the Murata Business Center.

This workshop is intended to provide aspiring small business owners with an overview of many of the issues involved in planning and launching a new business venture.

Topics include personal and lifestyle issues of the entrepreneur/business owner, the legal, financial and tax considerations of starting a small business and the “how-to’s” of business registration, government regulations and compliance issues.

Attendees will also be introduced to the beginning steps of developing a sound business plan. Upon completion of the workshop, which costs \$10 (free to veterans), attendees will be invited to schedule a free, one-on-one consulting session with an SBDC business consultant.

To reserve seats, call 477-1935, or register online at www.shipsbdc.org or e-mail sbdc@ship.edu.

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advantage because of location,” said Craig, who brought his business to Murata two years ago, looking for some business guidance and local networking.

WebpageFX is an Internet marketing company that specializes in Web design, development and search engine optimization.

“It’s a big help seeing other people go through the same thing,” he said about working out of a business incubator.

He employs 10 full-time employees and other part-time staff and said he is still looking to grow and add workers.

“We’re somewhat of an exception to the rule,” Craig said about the downward economy, noting that Internet marketing is up 16 to 17 percent nationwide. “The slice of the marketing pie is increasing to Web more. We’re still looking to grow 20 to 30 percent easy.”

His goal is to grab the dominate share of Central Pennsylvania, he explained, and hopefully branch out into the Baltimore, Md., Washington, D.C., and New York markets.

LaPlante has spent the last five years at Murata, conducting research and development of his WorkXpress platform, which delivers customized software applications to businesses to reduce costs.

Now he is working to market and sell the product.

“The market is so enormous, the need is so great,” he said, noting that his product represents innovation and efficiency that everyone from small manufacturers to larger enterprises can utilize for software needs.

At Murata, small businesses can really get the support and help they need with finance and networking, he said, which “skips you years ahead.”

Company revenues were up 80 percent in 2008 over 2007, LaPlante explained, and he anticipates comparable growth this year.

“The economy doesn’t really hurt us. It may help,” he said, adding “we haven’t even scratched the surface (yet).”

Being small

A small business can be nimble and adjust to the market, Gunnison said.

Murata is looking at the financial situation and almost routine layoffs by employers as an opportunity for those in jeopardy or stressing about their current situation to start that business they have been thinking

- **Retirement Planning for Small Businesses** — March 17 from 2:30-4:30 p.m. at the J.D. Brown Center for Entrepreneurship, 605 South George St., York. Cost is \$15. To register, call 477-1935, e-mail sbdc@ship.edu or go online to www.shipsbdc.org.

This workshop will offer an overview of the types of retirement plans available to small businesses. Attendees will walk away with an understanding of the retirement plans available to sole proprietorships, partnerships and corporations. Business owners will gain insight on how the plans work and direction to which will best fit their specific needs.

Interaction will be encouraged throughout this workshop. Specific discussion will be held on 401(k), simple IRAs, SEP IRAs, profit sharing plans, defined benefit plans, as well as other plan options.

The presenter will be Kaufman, Sheets and Associates, a premier agent for Prudential Financial in Camp Hill. They are licensed financial professionals that specialize in investment portfolios.

about, she said.

The biggest challenge Gunnison has is letting entrepreneurs know that Murata is available to them as a resource.

“Our mission is to help businesses grow jobs,” she said, calling the 88 employees who come to Murata daily “a significant contribution” to the economy. “They have the potential to grow and grow.”

The outlook moving forward is good, she said, even though many owners are being challenged.

In this economy, small businesses tend to be overlooked, said Heather Sweitzer, economic development specialist for Cumberland County Economic Development.

“As with the bigger companies, smaller organizations also have to adapt their budget with what’s happening on a state or national level, which may include cutting back on marketing, training, production or the workers themselves,” she said.

We have been inundated with stories of the unfortunate closings of the big corporations, she added, which tend to take a big hit to the local economy. However, we don’t realize that small, local businesses are still making a living in this economy.

“There are still a lot of opportunities for small businesses to get started and could thrive in one of our small downtown communities, including utilizing the resources, many of which are free to the consumer, that are available in the county,” she said. “Although opening your own business is not for everyone, you may choose to use the time to take your business plan to the next level and make it into fruition. We hope to hear more stories of thriving small businesses in the future.”

Business shift

Within the CCED loan pool, Sweitzer noted an increase in 2007 and 2008 in the amount of businesses who are trying to upgrade their equipment or their operational needs.

“There seems to have been more start-ups towards 2005 and 2006, and 2007 and 2008 have been mostly upgrades or needs for working capital,” she said. “With globalization and trying to keep up with foreign trade, upgrading equipment for a more efficient production line is increasingly important. I think the trend will stay the same in 2009, as people are more cautious about starting up in a down economy.”

The industry trends seem to be heading towards the service industry, she explained, with restaurants and retail leading the charge. The challenge is trying to keep manufacturing in the area, and that has been a long-term challenge not only for the state, but nationally.

“There are towns in Pennsylvania, especially in the western portion, who were once a thriving manufacturing community and now they have a big vacant building with most of the population commuting to another city to work,” Sweitzer said. “Fortunately, in Cumberland County, we are not dependent on one main industry — we very much have a diversified local economy.”

Go slow

“Businesses that deal with discretionary income are really going to struggle,” said Omar Shute, executive director of CCED. “We will always need mechanics, accountants, doctors, lawyers and school teachers. We may not need four marketing people in a department. We may not need to go into downtown to buy antiques.”

It’s all uncertainty right now, he added: “It’s fear what is really stopping the country from doing what it is supposed to be doing — fear about what is going to happen next. Once that fear goes away, that’s going to turn around.”

He projects the economy will begin to turn over the next six to 12 months.

Jessica Flory, consulting manager for the Shippensburg University Small Business Development Center, said her advice for upstart business owners is to go slow.

"I think everyone is worried about the economy and how much people are spending on extras," she said.

The primary focus for the SBDC is on local businesses looking to offer personal services. They hold various workshops throughout the year that can help people understand everything from start-up funding and marketing to retirement planning.

SBDC also offers one-on-one consulting.

In general, she said, businesses focused more on value like discount retailers will do better in this economy. Fast food restaurants have also done well as people try to cut back on spending.

"It's really the small businesses that are the backbone of the economy," Flory said.

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