



Most small-business owners maintain optimism

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Judging by the gyrations in stock and bond markets over the last week, investors are a pretty uneasy lot these days. That anxiety doesn't seem to be spreading among small-business owners.

Interviews with randomly picked company owners show they're fairly upbeat although the economy is slowing and interest rates show no signs of coming down.

Dennis O'Connor, owner of Paradigm Communications, a public relations firm in Natick, Mass., said his company went through a slow period last winter, but business has since picked up. That's a good sign not only for Paradigm, but for its clients as well -- publicity and marketing are often the first casualties when nervous companies start cutting back.

"We had a couple of clients that went away due to budget issues -- they needed to hold back some of the money they had been spending," O'Connor said. O'Connor responded to that dip by increasing his own business development efforts.

Kel Kelly owns a marketing services agency and, like O'Connor, sees signs of optimism among her clients that spills over to her company.

"Business is very strong and we can see clients are releasing money and spending money and committing to programs and agency work," said Kelly, CEO of Kel & Partners in Hopkinton, Mass.

The National Federation of Independent Business, which conducts a monthly survey of its members to determine their sentiments about the economy, said its Small Business Optimism Index edged up 0.4 percentage point to 97.2 in May, the first increase in four months. That does mean the optimism is lower than it was at the start of the year, but NFIB chief economist William Dunkelberg put the reading in perspective, saying there are no signs of recession.

"It's just that things are slow right now, but things are picking up," Dunkelberg said.

Dunkelberg noted that businesses are hiring -- they might not be expanding their payrolls, but they are hiring to fill open positions rather than leaving them open to cut costs.

Of course, small businesses in struggling industries, such as those related to the slumping housing market, are not likely to be optimistic. But there are still parts of the nation where housing isn't hurting and where company owners are feeling good.

Rich Napier, president of Napier Signature Homes in Richmond, Va., said his business is

improving because the local economy is strong and people relocating to the area are in need of homes.

"Sales activity is picking up," he said. "It was bad last fall through the first quarter of this year."

"It is a pocketed market," he said of the industry nationwide.

One reason why many small-business owners are optimistic is because many have already learned how to protect their companies during a downturn.

Sean Bisceglia has just launched his third company, TalentDrive, a Chicago-based resume sourcing and screening service, and structured it so it can respond to changes in the business and economic environment without having to resort to draconian measures.

"We're not going to get slammed," said Bisceglia, who was suffered through the dot-com collapse. "I learned from experience, trust me. My company was very large and we had to lay off 50 percent of our staff in two months."