



Entrepreneurs share lessons learned from starting a company in a recession.

by **Kimberly Turner**
photographs by **Gregory Miller**



When you're surrounded by overcrowded job fairs, foreclosures, failing banks, and layoffs, starting a business may sound like the last thing you should do. But many well-planned small businesses are more agile and better equipped to weather the economic storm than cumbersome bureaucratic corporations. Here, six start-ups share their stories.

Reinventing luxury in less-than-luxurious times

In 2005, real estate broker Susan Vanyo's corporate grind left her with nowhere to go to escape ringing cell phones, nonstop e-mails, and the intrusion of office politics. After a personal crisis brought her stress to a head, she realized she couldn't be the only one who needed a place to relax during the day, and the concept for Rejuvenate Spas was born.

On November 26, 2007, after two years of planning, Vanyo opened the doors to Rejuvenate—a wellness spa offering nap pods, massage services, and yoga classes with the slogan “Relax. At work.” The spa was designed to appeal to Downtown office workers. But by then, the days of willy-nilly luxury spending had passed. Business was slow. She blamed the concept, the execution, the newness. Then one day while watching CNN, she realized that it was, in fact, the recession. “It was a load off my shoulders that it wasn't me,” she says.

“That's when I decided, okay, we need to get smart.”

She found ways to adapt to the economic conditions and reinvent the business: changing the motto to “Wellness is a necessity, not a luxury,” creating an affordable \$20 menu, and adding requested services such as manicures, pedicures, chiropractic visits, and facials (because spa practitioners work on commission splits rather than salary, adding services isn't as costly as it may seem). She also took advantage of the spa's location at the base of Downtown's Sun-Trust building, which puts her in the line of sight of nearly 5,000 office workers, most of whom—and this is the real advantage—have regular-paying jobs . . . at least for now. When her weekly promotional e-mails go out, some addresses inevitably bounce back because the recipients are no longer on the company roster. Vanyo sees the number of returned e-mails increase every week.

Despite the continued financial woes, or perhaps because of

PREVIOUS SPREAD, SIGN: ISTOCKPHOTO.COM



Previous spread (clockwise from top left): Bob Rogers, Jamie Fine, Michael Ivey, Don Brown. This spread (left to right): Konni Reinker, Susan Vanyo, Sam Enzmann, Janea Boyles

them—after all, those who are left after layoffs cope with extra workloads and feel stressed about the stability of their company, making them prime candidates for a bit of pampering—Rejuvenate's business has been steadily increasing since January. Clients have responded to the lower prices and rebranding. Vanyo believes there's another factor in the company's newfound success: "People are done being depressed. They want to enjoy life again. Maybe they've restructured their lives, but they still need to live. There's only so much bad news you can take before you're just over it."

LESSONS LEARNED: How you market yourself makes all the difference. Get creative.

Rejuvenate Spas, 303 Peachtree Center Avenue, Suite AL-112, 404-577-4877, rejuvenatespas.com

Starting fresh at age 55

On June 16, 2008, Konni Reinker was laid off. It was a complete shock to the fifty-five-year-old, who had more than fifteen years in corporate accounting and had also worked in international banking. Her experience helped her quickly line up a series of interviews, and by August, she was a finalist for another controller position. The company was enthusiastic, but while they were making the

decision, she was contemplating a move of her own: starting her own bookkeeping business.

She talked to her daughter and retired husband, weighed her options, then called the company to decline the final interview. Two days later, the market fell. "I was thinking, oh my gosh, I've really screwed up this time," says Reinker, who went from a salary of more than \$90,000 to revenues of \$3,115 in 2008 (in the four months during which her business, Accounting Focus, was operational).

Reinker admits that if she'd been able to predict the market crash, she would have accepted the corporate position, particularly given that her 401(k) was cut nearly in half, but she is enjoying the freedom of running her own business. With a focus on providing bookkeeping, accounting, and related consulting services to small companies, she also finds satisfaction in meeting new people. "I'm talking to a handyman in the morning, someone who's selling motor lubrication in the afternoon, and someone who's publishing a book after that," she says. "I've just met so many different people that I wouldn't have been exposed to, and for me, that's really important."

The importance of meeting new people can't be underestimated for a fledgling home-based business. Since she started Accounting Focus, Reinker has had to learn how to sell herself and her services at the networking meetings she's started attending, out at other gatherings, and even door-to-door at newly established businesses

Continued on page 83

Entrepreneurs

Continued from page 73

that might need her services. "On the days when there's nothing, and the phone isn't ringing, what am I going to do?" she asks. "Okay, I'm going to go out and go from shop to shop and hand out my card, like cold calling, basically. There're days when there's nothing and you wonder if anybody is ever going to call you again. You kind of wonder, was this the right decision?"

LESSONS LEARNED: Don't be afraid to take risks. Meet as many people as possible, and learn to sell yourself.

Accounting Focus, Acworth, 770-419-1775, accountingfocusinc.com

Becoming a lobbyist for change

"We both knew we'd be flying by the seat of our pants," says Samantha Enzmann, co-owner of The Mercantile. "We just didn't expect to get the wedge to go along with it." The wedge began almost immediately after Enzmann opened the Candler Park specialty grocery shop with her life partner, Janea Boyles, on September 20, 2008. When the stock market plunged, The Mercantile's business did too, dropping 20 percent overnight. The company—which sells products such as dried herbs, fresh produce, gourmet condiments, aged cheeses, and whole organic milk, as well as a menu of hot foods prepared by chef Enzmann and her culinary team—has been struggling to recover ever since.

"I did not expect that I'd allow myself to succumb to fear as often as I battle it now," says Boyles. "It's very easy to succumb to the fears of others and of the media, and that will overwhelm you. It takes a lot of energy to swim out of that and to remain positive and optimistic."

Opening The Mercantile was no impulsive whim; Boyles and Enzmann spent three years on research and planning before securing an SBA loan—backed by personal collateral and their retirement funds—to get the doors open. Boyles believes they ultimately need to grow business by about 35 percent in order to stay open, but says they can achieve 20 to 25 percent growth just by starting to sell wine and beer to customers. Unfortunately, that's not as easy as it sounds. When legislation stalled that would have allowed specialty grocers in Atlanta to

sell alcohol regardless of their proximity to package stores, the business faced another serious challenge. Boyles essentially took on a secondary job as a lobbyist, working to move the legislation forward to get her business the additional revenue it needed to survive, collecting more than 900 petition signatures, working closely with her local representatives, and tirelessly educating the community until her work paid off on March 16, when the legislation was passed by an 11-2 vote.

"The thing that helped open this business was the fact that I didn't realize the full depth of what I was getting into," says Boyles. "If I had, I probably would've run screaming. Ignorance is courage."

But knowledge isn't cowardice. In fact, the lessons the two women have learned during their first eight months have instilled confidence. Boyles sought out mentors to guide her in creating her own business plan and bookkeeping system. Enzmann's biggest discovery has been that—despite having graduated from Portland's Western Culinary Institute, working as kitchen crew on Turner South's *Home Plate* with Marvin Woods, and teaching at Viking Cooking School—she "can't just walk in and showboat" but actually has to continuously alter her menu to match customers' personal preferences, weather conditions, and, of course, the city's cravings for comfort foods during these challenging times.

LESSONS LEARNED: Be persistent, especially when things are tough. Listen to your customers above all else.

The Mercantile, 1660 DeKalb Avenue, 404-378-0096, themercantileatl.com

Starting a company in 52 hours

On a brisk November Friday afternoon, more than 100 computer programmers, designers, and assorted geeks gathered at Georgia Tech's Advanced Technology Development Center with the goal of narrowing a list of forty-one possible tech companies to a few that could be built by Sunday evening.

One of the ideas chosen was Twitpay, a service that enables people to pay one another small amounts of money via popular microblogging platform Twitter (simply put, Twitter lets people communicate online with friends through 140-character messages). Michael Ivey, the mastermind

TOP 5% IN
THE NATION
FOR CLINICAL
EXCELLENCE

B
E
Y
PUSHING



N
D



DeKalb
Medical

behind Twitpay, came up with the concept after seeing a typo—an extra letter P he reasoned should stand for “pay”—in one of his wife’s messages.

Once his idea was selected at Startup Weekend, Ivey, along with consultancy partner Don Brown and seven others, began building a prototype. It was finished by Saturday. By Sunday, the group had a working product. By midweek, CNN was at the door, ready to do a story on the web’s Next Big Thing. The *New York Times* wasn’t far behind.

As the adrenaline and excitement wore off, reality sank in: The team had created an actual business. They needed titles, equity shares, business plans, and—the tough part—funding. While some members of the group ended up taking a lesser role in the final business, partners Ivey and Brown began seeking investment. The two had worked together on an unsuccessful start-up project in 2007, and while that company didn’t get far, the experience served them well. “It helped enormously with connections,” says Brown. “Atlanta is a very close-knit start-up community, and

it helps to know everybody. If you don’t, it makes things even harder—and Atlanta’s not the easiest place to do a tech start-up in the first place.”

With the help of advisers and contacts gained during their previous venture, Ivey and Brown were able to secure an undisclosed amount of seed funding for their fledgling business in March, despite the recession. They have stopped taking new clients at their consulting firm and are devoting their energies to Twitpay, which Brown says they’d like to see used for large companies and branding purposes as well as smaller payments such as settling bar tabs among friends. The company has only about 3,000 users so far but claims to be “growing quickly.”

Ivey and Brown’s fairy-tale story is enough to make any dissatisfied office worker ditch their day job, but Brown warns that it’s tougher than it seems. “There’ve been a lot of ups and downs. We’ve gone from crushing defeat to extreme joy and back to crushing defeat all in the same day. It’s a roller coaster. It’s not like working a regular job.”

LESSONS LEARNED: Network before you need to network. Do something that no one else is doing.

Twitpay.me, contact@twitpay.me

Turning a hobby into a business

Former Delta flight attendant Jamie Fine never meant to open her own bakery. Prior to a hand surgery in 2002, she enjoyed the jet-set lifestyle, traveling the world, seeing new places, and being decidedly undomestic. “The only thing baked in my house was a can of beans,” she says.

During physical therapy and recovery, she kept herself busy by taking the first class available at a local hobby shop, a course on cake decorating. It became a hobby, then a part-time business, but as Delta went through changes, she became increasingly nervous. “I found myself in the zone where I was in danger of being laid off every few months,” says Fine. “If enough people didn’t take retirement packages or buyouts, I was in a position to lose my job.”

A car accident in 2006, which shattered her elbow and made her unable to continue as a flight attendant, pushed her cake-deco-



Foxgloves & Ivy
floral design studio
www.foxgloves.biz
www.foxglovesweddings.com

ATLANTA'S GREEN FLORIST

ASK ABOUT OUR VASE RECYCLING PROGRAM
DELIVERING STUNNING FLORAL ARRANGEMENTS
TO THE ENTIRE METRO ATLANTA AREA DAILY!
NEED TO SEND OUT OF TOWN, CALL US!



Open 9-5 pm Monday-Saturday
Across from Oakland Cemetary
563 Memorial Drive Suite C
Atlanta, GA 30312
404.892.7272
888.892.7279



IMAGES: WWW.KRISTENPHOTO.COM

rating hobby into a full-time business. She called it Sugarplum Visions (“my grandmother calls me Sugarplum, and I have more vision than I know what to do with”) and hired two trained pastry chefs to assist her in making contemporary, customized specialty cakes.

The economy stalled business last fall and has dramatically increased the cost of her materials—recently, a bag of flour cost her \$20 more than it had cost just one week earlier—but in 2009, business has been steady thanks to a loyal clientele in her Marietta community and good word-of-mouth marketing.

Fine also attributes her success to the ability to remain agile and willing to adapt to changing conditions. For example, as companies slashed budgets, demand for corporate special-event cakes decreased dramatically. Instead of panicking, Fine began networking at bridal shows (cakes may be less lavish in a recession, but people still get married) and successfully increased Sugarplum’s wedding cake business.

This constant need to think of new ways to move forward is what has kept the company afloat, but it’s also the most exhausting part of running a business in a recession, according to Fine. “It is nonstop on my mind,” she says. “I dream about it. I really never leave it—or it never leaves me, I should say. I warn people, ‘If you’re going to go into business, you’d better love it, because you’re going to be living it 24/7.’”

LESSONS LEARNED: Have a backup plan and be adaptable enough to implement it. Be passionate about what you do.

Sugarplum Visions, 137 Church Street, Marietta, 678-354-7586

Ignoring the naysayers

Ask almost anyone who started a business in the latter half of 2008 how they’re doing, and you’ll hear about challenges, struggles, and sliding profits. Ask Bob Rogers of North Georgia Inspection Services, which launched late last year, and he’ll smile from behind his white walrus moustache and exclaim, “I ain’t ever had it so good!”

After thirty years’ experience in the construction industry, during which he was involved with projects from fifty-story high-rises to manufacturing facilities and even the Georgia Dome, Rogers simply got tired of his long commute into the city. When he

was planning his business, he steadfastly refused to let the economy worry him. “If we could just shut off the TV, we’d find that things aren’t so bad. Construction is down, but Forsyth County still issued 1,600 new home permits last year. If you have a crisis, it’s always full of opportunities. You’ve just got to be able to find them and pursue them.” About half of Rogers’s inspection work comes from foreclosed homes, which he hates to see despite the extra business they bring in. He stays upbeat by focusing on the great deals that some young homeowners are able to get as a result.

Rogers was similarly unruffled about managing his new company’s finances (he has handled budgets up to \$86 million) and about the services themselves (commercial and residential property inspections, environmental testing, energy surveys, and more). But creating a business plan and marketing himself were going to be tougher. He took the basics of his business plan—some notes he’d scratched on a legal pad—to SCORE Atlanta, a nonprofit partner of the Small Business Administration with thirteen offices dedicated to helping small-business owners in metro Atlanta (scoreatlanta.org). There, he was paired with counselors who, for free, helped him formulate a business plan and come up with marketing strategies. He also joined a separate marketing group, which helped him polish his sixty-second elevator pitch and further increased his confidence.

With advice from experts, Rogers turned his weakness into a strength, implementing smart marketing strategies such as developing a website, joining professional groups, working with kudzu.com (which helps him connect with Facebook and search engines), distributing flyers to real estate agents in his area, offering deep discounts for military families, providing a 200 percent guarantee, and even putting up billboards featuring his smiling face.

His one-man company is growing rapidly, and he is, of course, optimistic about the future. “The only thing we have to fear is fear itself,” he quotes. “Fear is counterproductive and sucks everything else out of you. I think it’s gonna be very successful. It’s a good business.”

LESSONS LEARNED: Ask for help when you need it. Stay positive.

North Georgia Inspection Services, Cumming, 770-844-6948, ngis-ga.com ■

5-STAR
RATED IN
TOTAL HIP
REPLACEMENT

B
E
Y
O
N
D
P
U
S
H
I
N
G



DeKalb
Medical