

# Local leaders see ‘second-stage’ businesses as economic catalysts



George Vincent and Amy Liposky Vincent, owners of The Real Mold Guy, show some of their mold detection and remediation equipment in Jupiter. They've grown by double digits in the past three years. 'We need to hire people,' Liposky Vincent says.

**By Emily Roach**

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Business is sprouting like mold for Amy Liposky Vincent and George Vincent, and it's just the type of growth economic development experts say incubates jobs.

The Jupiter Farms couple's Big Sky Environmental Solutions LLC, now known as The Real Mold Guy, has grown by double digits in the past three years, and Liposky Vincent said its goal is to reach \$1 million in annual revenue over the next two years.

"We need to hire people," she said. "We're at maximum capacity."

The Vincents and their environmental inspection and cleaning company moved to Florida seven years ago. The Real Mold Guy is considered a second-stage company, meaning the owners have made it through the first three years of business, achieved a moderate level of revenue and employ a few full-time workers. Definitions of “second stage” vary, but they generally include established small- to medium-size businesses with potential for growth.

For The Real Mold Guy, that’s four employees, including the Vincents, but they plan to add two more by the end of the year.

Start-up companies get more attention, but research led by the Edward Lowe Foundation - a Michigan-based organization founded by the creator of Kitty Litter to promote entrepreneurs - determined existing companies that are expanding actually create more jobs.

From 1990 to 2008, research showed, these companies added 71 percent more jobs than start-ups. It also showed the jobs last longer because these companies endure longer.

Economic development leaders want to tap the potential of second-stage companies to boost the economy. As part of a \$2.6 million state grant, the Small Business Development Center at Palm Beach State College hired Suzanne Mulvehill as consultant to its Growth Acceleration Program (GAP) for a year and a half.

### Second-stage companies

As many as 5,000 local companies qualify for the program’s services, said Ted Kramer, the Small Business Development Center’s regional director.

Michael Myhre, deputy state director of the Florida Small Business Development Network, oversees the pilot program, which is funded through the Federal Jobs Act of 2010.

Second-stage companies have “always been a good investment,” Myhre said. But current economic conditions make them the “catalyst in economic recovery.”

Mulvehill, who also is a Lake Worth commissioner, said she works with business owners to assess the health of their companies, prepare owners to borrow money to expand facilities or equipment, and provide them with sophisticated marketing data to know where and how to expand.

Rick Howard figured it out on his own.

Operating an upscale furniture business with a showroom in Boca Raton and a warehouse in Deerfield Beach, the Sklar Furnishings owner and his wife just completed a 50 percent expansion of the warehouse.

Howard said the recession dented the family-owned business, but it has revived in the past three years with an intense concentration on selling to higher-end customers and the addition of design services. He added six employees in the past year and a half, for a total of 26.

The 10-year-old business had record sales in 2011, and Howard expects to surpass it this year with \$10 million in sales.

“I want to gain market share,” Howard said. “You have to look for a model that works in a continually changing marketplace.”

Typically, second-stage businesses such as Sklar Furnishings are underserved, said Fran Korosec, director of client services for the Florida Economic Gardening Institute at the University of Central Florida in Orlando.

Consultants and government programs focus on start-ups or large companies to create jobs.

Korosec manages the GrowFL program, which was funded by the state as a pilot program for two years and is waiting for Gov. Rick Scott to sign off on an appropriations bill that would fund it for another year.

Korosec said 13 Palm Beach County companies were a part of the two-year pilot program, which targeted companies slightly larger than the Small Business Development Center’s GAP services.

About 250 GrowFL companies generated 1,419 jobs, \$510 million in sales and nearly \$19 million in state and local taxes, according to the program’s final report.

By putting the type of sales and marketing research into the hands of small-business owners that usually is found only in the realms of Fortune 500 companies and high-priced consultants, programs such as GrowFL can accelerate job creation, Korosec said.

While one large company can relocate and add 500 jobs to the local economy, 50 smaller companies can add 10 jobs each.

“You’re helping businesses that already exist in your community and helping them grow faster,” he said.

Those are companies like Cricket Cleaners, in business in Palm Beach County for 18 years and ready to open a new production facility.

Co-owner Amy Del Valle said the Small Business Development Center’s consulting services helped the company identify where to add delivery routes and sharpened the plans for expansion.

She will probably hire three to five more people for the new facility, targeted for an opening in the next four to six months.

Del Valle said small business may be ready to flourish again.

“The opportunity is definitely there,” she said, “and the promise of the future is definitely there.”