

## A niche out of necessity

By Cindy Krischer Goodman, McClatchy-Tribune Newspapers

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Clara Mateus, a graphic designer, arrived home from work in tears. Just a few months after she was named employee of the year, her boss at a Florida bank announced her department would be eliminated and told her she no longer had a job. Seeing his wife distraught, Allen Borza spent the evening giving her a pep talk.

But the next day, Borza, also a graphic designer, was laid off from his job at a landscape architecture firm.

Instead of completely flipping out, Borza said, "I told Clara, this is opportunity knocking."

With unemployment in the double digits in Florida, the two opted for entrepreneurship over job hunting. They formed their own firm and chose to tap the green movement by marketing themselves as eco-conscious graphic designers. Call them entrepreneurs by necessity, they represent a new wave of unemployed workers who find the optimal way to earn income is to form their own business. The path, though, becomes particularly risky when both household contributors pursue entrepreneurship at the same time.

But it was the push Borza and his wife needed. Otherwise, he said, "I don't think we ever would have jumped out of our comfort zone to do this."

The Kauffman Foundation reports interest in entrepreneurship is strong. One in four workers who have not found jobs are considering launching a business, a CareerBuilder.com survey says. The challenge is navigating the credit crisis to obtain startup funds and having financial staying power.

Kauffman Foundation economist Tim Kane said he expects the trend of entrepreneurs by necessity to continue at least through 2010.

While more people started businesses in 2008 compared with 2007, an even larger number closed, according to the Kauffman Index of Entrepreneurial Activity. That means many of those launching ventures that aren't well capitalized likely will fail within months.

But there are encouraging signs, too. More than half of the companies on the 2009 Fortune 500 list were launched during a recession or bear market.

Newlyweds, Mateus and Borza hope to be that fortunate.

The two originally formed the Green Group Studio a year ago as a way to earn side income to repay wedding debts. The project work offered them a creative outlet from their day jobs, they say.

Borza worked for a small urban planning and landscape architecture firm where he created Web sites and 3-D architectural renderings. Mateus had been doing illustration and print design for the bank.

Today, the couple spend most waking hours in their guest room-turned-office trying to make Green Group Studio profitable.

They have created a business plan with financial projections, learned that collecting fees can be challenging and landed clients that range from builders to nonprofits.

They also secured a small-business loan, a particularly difficult feat in a weak economy. Borza says he obtained the loan with the help of a close friend, a financial planner, who prepared their financial documentation at no charge.

"Without him, we would still be writing our business plan," Borza said.

Of course, Mateus and Borza are experiencing an emotional adjustment to their new work arrangement. The two worry about paying bills and affording health insurance, and are learning to work as partners, and avoid becoming consumed with business.

"We've had to realize that we are built different — that we get creative at different times of the day — and that it's okay," Mateus said.

Starting a business as a couple after layoffs can add stress to stress, said Irma Becerra-Fernandez, director of the Pino Global Entrepreneurship Center at Florida International University. "You have to be very aware of the strength of your relationship."

A bit of advice she gives all new entrepreneurs is to stick to what they know, just as Mateus and Borza have done with their graphic design firm.

"Research shows successful entrepreneurs are not bigger risk takers, they just know how to take more calculated risk," she said.

For those considering entrepreneurship, "It's a good time to go into business, but you have to have solid footing," said Ted Kramer, a business analyst with the Small Business Development Center at Palm Beach Community College.

To get a small-business loan like Green Group Studio, Kramer said, entrepreneurs need good personal credit, collateral such as equity in their home and the ability to put some personal money into the company.

Most important, he said, entrepreneurs need to be realistic with financial projections. "There's a lot of pressure forcing prices down," Kramer said.

Meanwhile, Mateus and Borza believe they have found a niche with Green Group Studio. The firm encourages clients to use recycled papers, soy-based inks and opt for the Web over print.

"It's really rewarding when clients who have not been particularly 'green' in the past are receptive to eco-friendly choices," Borza said.

Now the two co-CEOs are trying to strike a balance between being as available as possible for clients and finding time to enjoy life as a couple.

"Upfront, it's been a lot of work," Borza said. "We hope to grow, hire others and delegate."