



LARRY AMBEAU



MIKE CARPENTER



NED COLE



MARK CORNETT



STEPHAN MUELLER



MELANIE RAFFERTY



TOM SAUTER

AB Forum  
Moderator: Sally Bush Lynch

table 2



## Business Brainstorming

by Sally Bush Lynch  
Contributing Writer

The group joining me for the 1st Annual *Absolutely Business* Forum represented government, consulting, printing/warehousing, accounting, and information technology/ telecommunications.

Seated at my table were:

**Larry Ambeau**, regional permit administrator, New York State Department of Conservation; **Mike Carpenter**, president, The Northeast Group, a printing/ mailing/ warehousing business that publishes *Strictly Business* magazine, and is the co-publisher of *Absolutely Business* magazine; **Ned Cole**, executive director, Lewis County Industrial Agency; **Mark Cornett**, president, Fused Solutions, a technical support contact center, and SLIC, an internet and telephone service provider; **Stephan Mueller**, partner, Whalen, Davey and Looney, Certified Public Accountants;

**Melanie Rafferty**, owner, Cortel Improvement Systems, a non-technical consulting firm; and **Tom Sauter**, deputy executive director, Development Authority of the North Country.

I began by asking the participants to introduce themselves and tell us about their businesses.

Rafferty: "My education is in human resources, business, marketing, and organizational development. At Cortel we have a strong government and industry background which helps us to work with diverse clients. We believe in building on a company's successes. We don't put the primary focus on their problems. Those can be dealt with once trust is established. We like to work on a long term basis whenever possible."

Mueller: "I am a UCLA graduate and a partner in Whalen, Davey and Looney, a gen-

eral CPA firm. We have offices in Massena, Watertown, Ogdensburg, and a part-time office in Gouverneur. We deal principally with individual 1040 matters for clients. While we prefer to do business and government work, there is less of that all the time."

Cole: "I grew up here, worked in a local bank and then moved up to administration. I left the area to work for a national financial institution and an international credit union, but came back because of the high quality of life in this area."

Sauter: "I spent two years at SUNY Canton and two years at SUNY Utica, eventually earning a master's degree in public administration. I have been with the Development Authority, a regional public benefit corporation that serves Lewis, Jefferson and St. Lawrence Counties for 19 years. We operate large infrastructure projects such as water and sewage treatment facilities and the regional landfill. In addition we provide an open access regional telecommunications network that brings transport circuitry throughout the area and we offer development financing for business and housing programs.

Carpenter: "I am the president of The Northeast Group, a family-owned company established by my father in Plattsburgh nearly 30 years ago. We were originally a printing company and as part of our marketing effort in that area, we began to publish *Strictly Business* magazine 18 years ago. In 2007 we entered into a partnership with Westelcom Communications to publish a sister magazine - *Absolutely Business*. *SB's* annual business forum has been hugely successful and we are excited to see it expand now to the Watertown area.

"Northeast's business now includes, not only printing, but direct mail, warehousing and distribution for clients in the New York/Quebec corridor. I have been in the global logistics business all my adult life and am proud to be part of the company's growth. In 2000 we had 24 employees in approximately 19,000 square feet of space. Today we have over 120 employees in more than 300,000 feet on what was formerly Plattsburgh Air Force Base."

Ambeau: "I am the regional permit administrator for the Department of Environmental Conservation, Region 6 which covers St. Lawrence, Oneida, Herkimer,

Lewis, and Jefferson Counties. We issue permits that allow everything from a homeowner to build a dock to a business to emit pollutants into the air or water. We enforce the Legislature's laws through regulations. We have police officers and lawyers, and when people do not follow the regulations, we take them to court.

"I have worked for the DEC for 19 years. Before that I worked for large corporations, family-run businesses and owned

a successful oil/chemical cleanup business in Rochester. I spent two years at SUNY Canton and earned my B.S. in chemistry from SUNY Cortland."

Cornett: "I am the president and general manager of two companies, Fused Solutions and SLIC Network Solutions (SLIC). Fused Solutions is a small contact center in Potsdam; SLIC is an internet /telecom company that supplies internet access and local and long distance telephone services



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to businesses mostly in Potsdam, Massena and Canton. Both SLIC and Fused are owned by Nicholville Telephone, a small, independent telephone company in northern St. Lawrence County.

"I have been with Fused and SLIC since 2000. Prior to that I taught and was an administrator at Clarkson University's School of Business for 13 years. I am a Clarkson graduate."

Next I asked our participants, "How did your business/organization fare in 2007?"

Rafferty: "While we have grown dramatically in the last three to four years, 2007 was our biggest year yet. Our largest clients are currently in the Midwest and in D.C. We have expanded recently in northern New York and we really enjoy supporting North Country businesses, since we are based in Watertown. Traditionally, our clients have been directed to us via word of mouth."

Mueller: "We're a general CPA firm that does a lot of cross border work for Canadian firms setting up subsidiary corporations in Ogdensburg. That's a lucrative niche. With the dollar down, our Canadian activity has increased."

"About a year ago, we merged with a firm in the Watertown area which was a good move. Getting good accounting staff is difficult regionally and nationally which means we are working a lot of hours. In general, our business did well in 2007."

Cole: "We have 10-12 industries in Lewis County and the outlook is very good. The companies are mostly natural resource-based like agriculture, forestry and mining. We also have approximately 500-600 family-owned small manufacturing businesses. Recreation (ATVs and snowmobiles) and dairy farming are doing very well. We have the largest number of wind projects on the East Coast—194."

Ambeau: "Lewis County is becoming the energy capitol of the state. They export power to the grid."

Sauter: "The Fort Drum expansion made for a very busy year. We upgraded portions of our water and sewage systems. We've also provided about \$8 million in financing to develop several hundred housing units throughout the community. In addition we made a dozen small business loans."

Carpenter: "We've had tremendous growth over the past seven years and have built or bought new facilities every year to accommodate that growth. We market our services through relationships with customs brokers in Montreal and Toronto. Because we do not compete in the customs arena, it is a natural fit for brokers to refer clients to us."

"Most of our distribution is clothing, and although 2007 was a tremendous year for us, the last half was a little softer than we predicted. The cost of fuel, the uncertain international picture and an overall lack of consumer confidence have caused a bit of a slow down in garment sales."

Ambeau: "Because of Fort Drum's expansion, we've been really busy. All the subdivisions and water and sewage treatment plants have to be permitted. There has also been an explosion in the building of energy facilities. The new plants need infrastructure to send power out of the area, which requires permits. It's our job to balance economic growth with environmental protection."

Cornett: "Our contact center had a tough year in 2007. A lot of call centers have moved offshore. Fortunately we are more of a niche player; we're highly technical. The downside is you have more volatility and that volatility hurt us in 2007. From 2000-05 business was great."

"SLIC had a very good year in 2007, primarily because we introduced a new service. We interconnected our own fiber to DANC's network. Because we aren't reselling Verizon's services, our margins are much better. One of DANC's objectives was to bring more cost effective services to the area. We have seen a significant amount of new business because of our aggressive prices. This, in turn, has helped us sell other SLIC services which is important because St. Lawrence County has a flat market limited mostly to government and education."

Next I asked, "What are the most important issues facing the North Country business community?"

Rafferty said, "The North Country resists change more than most communities I've worked in. I also think that our political infrastructure is a deterrent. As a community, we need to share similar services and personnel. Otherwise, the tax burden

and turf battles can be a nightmare for making progressive changes."

Sauter: "St. Lawrence County has five major communities and over the last 20 years their economic goals have often set them up to compete against each other. We shouldn't worry about what's 10 miles down the road, but focus instead on how we compete against national or international interests."

Sauter's comment sparked a flurry of similar observations. Cornett noted communities should work to attract money from outside the county, rather than move it around within the county. Carpenter mentioned a similar situation that has the city of Plattsburgh and surrounding towns disagreeing on certain issues which has caused some conflict and, in some cases, has impeded economic progress.

Cornett: "Potsdam had a big box retailer coming in, and the village and the town fought, each trying to win at the expense of the other. Why can't we recognize the logic of a consolidated government in Potsdam and eliminate duplication of services and the inefficiencies that mire progress?"

Rafferty: "Even Syracuse isn't really growing, so it isn't just a North Country problem. I think it is New York State."

Cole: "I've worked throughout the U.S. and I believe it's all over. It's worse in Idaho and Oregon than it is here."

Rafferty: "I think the Midwest, Southwest and Southeast are pretty progressive."

Carpenter: "We started the Business Forum to advocate for business. Too often politicians make decisions that may not be in our best interests. We wanted a voice that represented our concerns. Our city and towns need to come together in the interest of business and work for the area as a whole."

Rafferty: "The newer communities flourish because they set up the infrastructure and plan for expansion."

Ambeau: "Another thing businesses should be aware of is greenhouse gases. That's going to be a big issue in New York State. Any time a business sets up, an environmental review is required. They look at impact to natural resources and now, greenhouse gases. An agency has been formed, and the Spitzer group thinks it's important."

"The other Spitzer focus is 'smart growth'. We can't build on every inch of earth and we can't strip everything out. We would like to see cities redeveloped rather than taking virgin land. That's where the Brownfields program comes in. It allows building on polluted land."

Cole: "Kraft is very concerned about the cost of fuel. That's why they built a methane plant. Three things that really impact Lewis County are its resistance to change, its infrastructure and the cost of gas and fuel oil. Gas prices really hurt the farmers."

Sauter: "Any business that hauls goods on trucks in or out of New York State is affected by high gas costs."

Carpenter: "We have seen some of our employees move on to other jobs closer to their homes because of fuel costs."

Cornett: "I see disturbing work ethic issues with the young work force."

Sauter: "We have struggled for eight months to fill two technical positions."

Cornett: "As a region, we need IT professionals, accountants and consultants. Chief information officers are hard to find."

Ambeau: "We also need engineers, but government pays less than industry."

Carpenter: "College graduates tend to move to bigger areas with more to offer their age group."

Cornett: "You need skilled labor and capital for business growth. The infrastructure will follow."

Cole: "In our banks, the loan/deposit ratio is weak as compared to other areas. We need to keep the wealth invested in our area. I know there are public financing programs, but they're limited."

Cornett: "We have the universities, the technology and Tony Collins is doing a great job (at Clarkson University). But we need more funding. We should be marketing the area to young professionals, especially knowledge professionals. We may not have a four-lane highway, but we have a fiber highway. They can work off it and enjoy our quality of life."

Rafferty: "Do Clarkson University engineering graduates know that regional companies are looking for engineers?"

Cornett: "They may know, but the coin is better elsewhere. Except for housing, our cost of living is as high or higher

than other areas."

Carpenter: "Comments at our *Strictly Business* Forum in Plattsburgh indicated that recruiting professionals is difficult; the pay is lower than in other areas and their spouses are often professionals who may not be able to get the kind of jobs they're looking for in our area."

Cornett: "When I graduated I wanted to get as far away from Potsdam as possible. But when I became a father that changed. This is a perfect place to raise a family."

In conclusion I asked, "What is your view of the future for your business in the North Country?"

Cornett: "Offshoring is working against our call center. SLIC is a service provider, so the business environment is key to our growth. We're considering scaling up, either through expansion or a merger. I'm cautiously optimistic that the business initiatives that Clarkson and St. Lawrence universities are undertaking will begin to establish a cluster. If we can address the labor and business investment issues, things will fall into place. We're still searching for some situational elements. Part of good business development is rec-

ognizing opportunities."

Rafferty: "I am concerned that many organizations think they can't expand. We would love to do more work in the North Country and central New York and contribute to their growth. We are planning to do more marketing this year."

Cornett: "I worked for Fortune 500 companies. When I came back here I was able to bring some really good experience to a small company. People who were born and raised here don't have the same perspective. I think that's what's holding us back."

Sauter: "The outlook for the North Country is positive. We've got great infrastructure that will facilitate technology and business growth. There are some bright spots for the business community—like Otis Technologies, Knowlton's and the Clarkson initiatives."

Ambeau: "We'll be busy next year with Fort Drum expanding."

Everyone at our table enjoyed the lively exchange of ideas and our discussion of shared concerns. Our 1st Annual *Absolutely Business* Forum ended on a high note. ■

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