

## Forecast 2012: Tampa Bay

By Alex Mahadevan | Tampa Bay Editor - Thursday, October 20, 2011

### **Ben Lee, Schifino Lee**

*Tampa*

Region: Ben Lee, principal at Schifino Lee, is positive about a healthy economy in 2012. He says that advertising agencies are generally good indicators for future economic growth. “Businesses will invest in branding in advertising before expansion,” he says, “and I’ve met with five or 10 companies a month.”

Lee says there are several multi-million dollar firms he has met with recently that no one has heard of. “Those big, beautiful houses [in South Tampa] are filled with entrepreneurs and executives that are going to drive the economy in 2012,” Lee says.

Industry: The advertising industry will have to make adjustments to prepare for 2012, says Lee. He explains that there are more transactions coming in at smaller rates. “Companies are more likely to use social media [advertising] and search engine optimization,” he says. Both cost less than traditional avenues of advertising.

In response, advertising firms must be ready to take on more clients, he says. This requires new hires or increased productivity.

The advertising industry is also experiencing fragmentation, Lee says. Some firms are beginning to specialize in automated ads — like search engine optimization — while others specialize on the creative side. Lee says that the two species of ad firms must work together for the industry to see positive growth in 2012.

Business: Media consumption behavior is constantly changing, so Schifino Lee must be dynamic, Lee says. “It’s a tsunami that keeps on rolling,” he says. “We’re staying ahead by increasing our social media services — which is also a new revenue stream for us.”

Schifino Lee invested an undisclosed amount in a new computer system and cloud server this year, indicating a positive outlook for 2012.

Lee is not bashful about bashing doomsday economists. He expects to hire at least three employees next year and predicts revenues will increase by 20% to 30%.

### **Jane Mason, eMason**

*Clearwater*

Region: eMason CEO Jane Mason says that the region, like the rest of the country, will benefit from the adoption of new technology. “We need to take advantage of new technologies to make businesses more lean,” she says. The Clarifire software her firm touts is part of this solution.

On the possibility of technological progress killing jobs, Mason stands behind the idea of creative destruction. Says Mason: “I really didn’t care about social media two years ago. Now I have two job openings for people to handle it.”

In fact, Mason says that her firm, along with other Tampa technology firms, hire locally. So expansion of her firm and the tech industry in the region would lower the local unemployment rate and encourage spending.

Industry: Mason had the chance to meet officials at the Federal Reserve recently, and she bluntly stated her idea for recovery: embrace the industry. “I think I was the first person to say it to their face,” Mason says of her Fed confrontation.

Mason says that the tech industry is key to recovery, so business leaders in Tampa Bay must be more vocal on the national scene. “We need to let the country know about our vibrant tech community,” she says.

Business: Mason’s firm is doing something many in the area are hoping for in 2012: looking for a bigger building. She credits her firm’s software that streamlines business operations for the expansion. “The technology we’ve developed has kept us ahead of the game,” she says.

eMason just rolled out a new feature to its Clarifire software that puts troubled borrowers in contact with lenders and mortgage brokers at a single point. Mason expects this to boost her business and help the regional economy.

Mason expects her tech firm to grow from a \$20 million forecast in 2011 to roughly \$26 million in 2012.

### **Anthony Saravanos, The Boardwalk Company**

#### *Palm Harbor*

Region: Anthony Saravanos explains that economic recovery will be slow, or not happen at all in the region until real estate prices stabilize. “The tenants are wielding all the power right now,” he says, “which isn’t a bad thing, but it’s not good, either.”

And the vice president of The Boardwalk Company worries about lingering unemployment after recovery begins due to the adoption of lean business practices by some companies. To him, this is key. “Until we start seeing some more consumer confidence,” he says, “we won’t see recovery.” And this confidence will only come when high profile economic indicators — like the unemployment rate — improve.

Industry: Saravanos — who claims he is an optimistic person — explains that recovery in 2012 is not likely for the commercial realty sector. “There’s just too much real estate that needs to be absorbed,” he laments. “If anything recovery will take three to five years.”

But he has begun to notice some positive activity. Saravanos explains that he is signing longer-termed leases. “These are five- or 10-year leases,” he says, “they’re projects that include transactions, development and construction.” If these types of projects continue, he says he is confident that the money multiplier will kick in and unemployment will fall.

Business: Saravanos is more positive about recovery at The Boardwalk Company. “We’ve been getting calls in,” he says, “and last week we made two transactions alone.”

The Boardwalk Company benefits from the fact that it has shifted its business to attract recession-resistant industries. A recent transaction involved a veterinarian’s office. “The dog’s got to eat,” Savaranos jokes, “and people love their pets.”

The strategy is not generating huge gains, but it’s keeping The Boardwalk Company a notch above the industry average, Saravanos says. “We’re generating commission — at least enough to keep the lights on and pay everyone.”

### **Monty Weigel, NorthStar Bank**

#### *Tampa*

Region: NorthStar Bank’s president and CEO, Monty Weigel, believes the Gulf Coast is primed for economic recovery, but regulation and tax uncertainty are hefty hindrances. “Who’s going to start a business or buy a property when they don’t know the severity of the taxes they’ll be forced to pay?” he says.

Despite a shaky political environment, Weigel says that Florida — particularly the Gulf Coast — should never lag the United States the way it is currently. And he feels that new international flights into Tampa International Airport will spur growth. “We have beaches on the west and Disney on the east,” he says. “We shouldn’t have higher unemployment than the U.S.”

**Industry:** Weigel has hope for the banking sector, given that employment at banks has grown slightly and has fallen at the Federal Deposit Insurance Commission. But, he hopes that recent Wall Street protests don’t disrupt recovery. “People need to understand that banks build communities,” he says.

The USF graduate and proud Floridian also believes that banks were “over-branched” before the recession and the number of branches that closed — and number of banks that failed — were part of a “necessary pruning.” Says Weigel: “Bank revenues will come out stronger with the smaller number of banks.”

**Business:** NorthStar bank currently has one branch, located in the Sykes Building in downtown Tampa. But, Weigel sees the bank opening new branches in 2012 to keep up with the growing demand he sees. That is, if the uncertainty bred by regulators subsides. “We want to expand, but we need some stability,” he says of the political environment.

NorthStar currently owns \$171.24 million in assets and had revenues of \$5.6 million in 2010.

Weigel says that during the month of September he saw an increase in loan applications. “It’s only a modest increase,” he says, “but when people start borrowing we’ll see recovery.”

### **Ted Abrams, Joffrey’s Coffee**

*Tampa*

**Region:** Ted Abrams is concerned with the lingering foreclosed properties, as well as the properties that haven’t been foreclosed on yet. “The court system has just been so slow,” he says.

The current administration is another question for Abrams. “The government’s role is to protect its citizens, but it shouldn’t have a hand in business,” he says. “I believe that business leaders know what’s best for the economy.”

Abrams explains that in 2009, layoffs led to fewer people in offices and less of a willingness by management to supply coffee. This led to a downturn in this sector. But Abrams says that he has seen an uptick in sales of coffee to offices through companies like Aramark this year. This could indicate a step toward recovery.

**Industry:** Business in the specialty coffee industry has been strong following the recession. “The new demographics are helping us out,” Abrams says of the new breed coffee drinkers. “New generations are less willing to compromise on coffee.”

He sees positivity in a broader view of the coffee industry as well. Individuals will stick with coffee to keep productivity up in a time when job security is scarce, he asserts.

Abrams says he sees this trend continuing into 2012 in this industry. Says Abrams: “I was raised on premium coffee, so even with tough times I’m not going to sacrifice quality for a few cents.”

**Business:** Abrams expects Joffrey’s Coffee to expand in 2012. Revenues are expected to grow from roughly \$15 million to \$17 million in the next year. He also plans to hire an undisclosed number of employees.

He credits the firm’s strategy of diversification for its survival and growth during the downturn. Joffrey’s “We have our tentacles in so many segments of this industry that we haven’t seen effects of the recession,” Abrams says.

This diversification includes a presence in coffee shops, grocery stores and sales to offices through companies like Aramark.