



Entrepreneurs smell opportunity

By [Chuck Raasch](#), Gannett National Writer

NATIONAL HARBOR, Md. — American entrepreneurs are optimists by definition.

It was not surprising, then, that a record number of almost 1,800 gathered in late September for Inc. magazine's annual conference honoring the nation's fastest-growing private companies.

"There are unbelievable opportunities out there," said Jack Stack, president and CEO of SRC Holdings. "We are looking at deals at 10 cents on the dollar today."

A year ago, the shock waves of an economic collapse were just hitting when this conference took place.

Ailing General Motors was one of the big customers for SRC Holdings, a Springfield, Mo.-based group of companies that remanufacture products for the production of cars, trucks, and farm and construction equipment. Stack saw GM go from buying 800-1,000 engines a month to just 212 in December.

At a seminar called "A Little Paranoia Goes a Long Way," Stack told attendees he had spent the previous 25 years thinking the next deep recession was right around the corner. Stack said he set aside cash to survive a downturn, a strategy he said many of his rivals considered "plodding" in the debt-is-good ethos of the 1990s and earlier this decade.

When the GM orders dried up, SRC moved workers into growth areas like the production of natural gas pumps and engines for U.S. Postal Service vehicles. Some workers went on furlough and four-day weeks. By February, workers were back to full time.

He started his company in 1982, during the last great recession, taking a debt-ridden company into a \$350 million annual sales venture, an employee-owned company that has spun off more than two dozen others.

Stack said he hopes that the changes SRC was forced to make to survive the recession will broaden the company's economic base.

From Brazilians, Romanians and Vietnamese seeking advice on start-ups to Michiganders touting their state's pluck and perseverance, entrepreneurs gathered at this resort just outside Washington, D.C., for three days of networking and seminars. They commiserated with representatives of big business, like American Airlines. They chatted with heads of relatively new companies, like NuView Systems, Inc., a Massachusetts-based maker of software for payroll and human resource offices.

To attendees, it's a ripe time to start a new business or take over a troubled one.

NuView's founder and CEO Shafiq Lokhandwala said his company's sales will be up around 20% this year, and he hopes to return to the 65-70% growth of previous years.

"The glass is always half full," Lokhandwala, 47, said. "Every problem can be surmounted if you have well-intentioned and honest people."

J. Barry Griswell, the retired chairman and CEO of the Principal Financial Group, said business people and entrepreneurs have had two choices over the past year: Retreat to the basement for a "pity party" or go "up to the gables, look at a blue sky and say, 'What is the opportunity?'"

"Successful people don't go to the basement very often," Griswell said.

"Entrepreneurs are always optimistic," said Bo Burlingham, editor-at-large for Inc. "You may be paranoid, but you are not pessimistic."

Burlingham said what struck him about this year's conference was the number of foreigners who participated.

"We ignore the entrepreneurial revolution that is going on in all these countries at our own risk," he said.