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## Recipe for recovery: After recession, small businesses take steps to bounce back in uncertain times

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Two years after the recession officially ended, small business owners are finding that while the storm is over, the skies aren't completely clear.

"There's a certain cautiousness," said [Robert Walsh](#), commissioner of the city's [Department of Small Business Services](#). "There's more optimism, but I don't see anyone going hog wild in terms of spending."

Tomorrow, Walsh and other experts at the Daily News' [Your Money Multicultural Small Business Conference](#) will offer business owners and entrepreneurs advice on how to thrive even in the economy's bumpy recovery.

Panelists will cover topics ranging from raising capital to ways to cut energy costs and use technology more effectively. Despite the economy's rebound, things have not returned to business as usual, and entrepreneurs are facing headwinds such as high fuel and food costs and a reluctant consumer.

"I think we have to be a lot more cautious about the way that we run the business," said [Leah Abraham](#), the Ethiopian-born co-owner of [Harlem](#) restaurant [Settepani](#). "Things are uncertain."

Abraham opened the Lenox Ave. business with her husband, [Nino Settepani](#), as a café in 2001. When the economy soured in 2007, they nearly had to close up shop as residents passed on pricey extras like pastries and cappuccinos.

Rejected by traditional banks, they finally got a loan through the nonprofit Seedco for \$150,000 that let them add a full dining menu with more must-have food items.

Business has since turned around. After taking out a second loan, they are planning to open a pizza shop they hope will draw frugal but hungry residents — although Abraham admits it's risky.

"I'm sure every MBA student would talk me out of it," she said.

Not many business owners are that daring these days.

Nationwide, only 5% of business owners view the current environment as a good time to expand, and only 20% said they plan to make capital expenditures in the next three to six months, according to a recent survey by the [National Federation of Independent Business](#).

The report also showed small business owners' confidence sank for a third month in a row in May, and one in four said weak sales were their biggest concern.

There are some hopeful signs.

"Overall, you are seeing more lending out there," said Pravina Raghavan, the director of the [Small Business Administration's New York](#) district office.

Government-backed loans to small businesses are surging again. Two-thirds of the way into the fiscal year, SBA loans have reached \$583 million and are already well above the total for all of last year.

Last year's [Small Business Jobs Act](#), which provided lower interest rates for borrowers and higher guarantees for lenders, helped drive that gain, [Raghavan](#) said.

The state has also pledged to give \$50 million in small business loans over 2010 and 2011 through alternative lenders, and even some big banks are courting small businesses again.

It's still not easy, especially for start-ups, said [Steven Cohen](#), deputy commissioner of the [Empire State Economic Development Corp.](#)

Over the past five years, the volume of bank loans to small businesses of \$250,000 or less is down 65%, he said.

"Things are a little better than where they were at the low point," Cohen said. "But they're not back to where they should be."

That hasn't dampened the enthusiasm of New York's intrepid entrepreneurs — many of them immigrants and minorities.

[Carlos Delgado](#), 43, a former beverage salesman, launched [Ondine Marketing](#) at the end of 2009 to sell coffee grown in his native [Cape Verde](#).

He worked on his business plan with the help of the [NYC Small Business Services Center](#) in [Washington Heights](#), but still struggled to get financing for the business.

"Challenges don't even begin to describe it," said Delgado. "[Banks] did not believe that our coffee would sell in the [U.S.](#) just because it had never sold before."

He finally scored a \$10,000 loan and a \$2,500 line of credit from the Neighborhood Trust Federal Credit Union, but only after his Cape Verde coffee suppliers agreed to put up their product as collateral, he said.

His Café FAMA coffee brand is now selling in six Seabra's supermarkets in [Maine](#) and [Rhode Island](#), and he's hopeful he can expand.

"Right now, it's not what I would consider a new item market," he said. "I know I have to fight for it."