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How small-biz owners win the talent war

BY ANNE FIELD



Sharif Hussein got on-the-job IT training at Manhattan Tech Support.

Unlike a lot of small tech company owners, John Colasante doesn't have trouble finding entry-level workers. That's because Mr. Colasante, a co-founder of Manhattan Tech Support, an IT consulting firm with 15 employees, is willing to provide on-the-job training.

For about the past year, he has worked with Per Scholas, a nonprofit that provides technology training, career coaching and job placement for workers in four cities, including New York. Manhattan Tech Support takes on two people for 12-week, unpaid internships in which they shadow an experienced technician. So far, he has hired two as full-time employees.

What's more, Mr. Colasante said, "we're creating a pipeline for our company." It has annual revenue of "\$1 million to \$3 million."

He is one of many small-business owners in New York benefiting from a surge in programs that provide entry-level workers with training and on-the-job experience in industries from manufacturing to software testing. The programs, typically through nonprofits, have stepped into an area where government funding historically has been scarce.

"These businesses realize you don't need a college degree for every position," said Maria Torres-Springer, commissioner of the NYC Department of Small Business Services, or SBS, which operates several such efforts. While the programs go by a variety of names—apprenticeships, internships and work-based initiatives—they generally aim to close a gap between the skills employers need and the ones many people actually have.

Many also aim to provide low-income young adults or the long-term unemployed with a pathway out of poverty. For the most part, these programs are less formal than traditional union apprenticeships.

For small businesses without the resources to run their own training and apprenticeship programs, working with nonprofits that offer support and guidance provides a golden opportunity. Programs may subsidize wages for the novice employees or cover them completely.

Paid to learn

Meanwhile, the potential employees gain access to skills and job training they might not otherwise be able to acquire. For example, 23-year-old Bronx resident Sharif Hussein studied IT at SUNY Geneseo but had to leave school in 2009 after just one year for "monetary reasons." Mr. Hussein recently received three months of hands-on experience and other training at Per Scholas. He then interned for six weeks at Manhattan Tech Support and was hired permanently, somewhat before the usual three-month tenure.

"This has changed my life for the better," he said.

Of course, no program can guarantee that new hires will be successful. The real education comes when trainees begin working.

Involvement by high-level team members is crucial. "You want entry-level employees to be exposed to senior leaders, who are the people best able to be their mentors," said Shaila Ittycheria, co-founder of Enstitute, which runs an apprenticeship program for tech firms and digital media and advertising companies, among others. "But they're also the people who often don't have time to do it."

It's also important for firms to find the right training partner. SBS' New Skills, New Jobs initiative screens potential trainees for three-month on-the-job training plans. SBS reimburses employers 70% of wages. Year Up, a national nonprofit operating in 12 cities, including New York, gives motivated young adults with a high-school diploma or a GED a year's worth of training. Students learn technical and business skills for six months, then are matched with employers, which pay them \$920 a week. The apprentices return to Year Up weekly for additional skills training.

Other programs focus almost exclusively on soft skills, such as how to communicate with supervisors and dress appropriately. Southwest Brooklyn Industrial Development Corp. recently teamed up with Juma Ventures, a San Francisco-based nonprofit that runs two-week programs for first-generation college freshmen and high-school seniors. Juma teaches soft skills, then places participants in six-week internship programs in New York manufacturing companies. The program, called YouthMade, pays the interns.

Architectural Grille, a Brooklyn manufacturing company with \$5 million in annual revenue, took on two pairs of interns from YouthMade for six-week stints this summer in the assembly, finishing and customer-service departments. "What really impressed me was the work readiness," said Special Projects Manager Fred D'Antoni. "They were really polished for people their age."

Apprenticeships sometimes offer participants more than they promised. In 2012, Vic Singh, who was running Tracks, a Manhattan-based startup that had an app for creating personal social networks, took on Kwame Henderson as an apprentice through Enstitute's program. Mr. Henderson, now 24, had finished college about a year earlier and entered the program instead of attending business school to avoid taking on debt. "It's an untraditional route," said Mr. Henderson.

Powered by partnerships

During that year, Mr. Henderson got a crash course in how young tech companies pivot. Mr. Singh decided to change his product to an app aimed at adding text, drawings and sound to images. He eventually hired Mr. Henderson to be in charge of growth.

"The fastest way to grow is to learn in a practical environment," said Mr. Singh, whose five-employee company, now named Kanvas Labs, has raised about \$1 million in seed funding, bringing the total raised for both firms to \$3.4 million.

Other small businesses have formed partnerships with programs to beat the tech talent shortage.

Keith Klain, CEO of Doran Jones Testing, an IT firm with about 40 employees, is moving its headquarters from Manhattan to the Bronx. Its 15,000-square-foot facility there will include space to train 150 software testers in partnership with Per Scholas. The nonprofit raised \$1.8 million to get the project started and build out the space; Doran Jones will repay the money over 10 years through a 25% profit-sharing arrangement with Per Scholas. The profitable company has about \$6 million in annual revenue.

For Mr. Klain, who plans to hire all 150 trainees, the program has the added benefit of guiding novices in the company's approach. "People who don't have preconceived ideas about how to do software testing ask way better questions and are much more motivated," he said.