

A Salute to Small Business

Fall 2011



Highlighting the winners of the Greater Boston Chamber of Commerce 2011 Small Business of the Year Awards



2011 small business of the year awards

Paying Tribute to Our Winners

On **October 13**, the Greater Boston Chamber of Commerce will celebrate the contributions of small businesses throughout the region at its 27th Annual "Small Business of the Year Awards" luncheon. These awards honor the top 10 small and high growth businesses that demonstrate achievement in management, workplace excellence, product innovation, and social responsibility and have a commitment to growing here in Greater Boston.

2011 Small Business of the Year

- Little Sprouts

Top Small Businesses of 2011

- Baystate Financial Services
- Burtons Grill
- Charles River Apparel
- Enzymatics
- Get in Shape for Women
- Hollister
- IdeaPaint
- Lupoli Companies
- WHERE, Inc.

Emcee: Mike Nikitas,
NECN News and Business Anchor

Date: Thursday, October 13, 2011

Time: 11:45 a.m. Registration
12:00 - 1:30 p.m. Lunch & Program

Location: The Colonnade Hotel

Cost: \$100 Individual Ticket
\$1000 Table of 10

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State, Businesses Work Creatively to Succeed in Today's Economy

The Greater Boston Chamber of Commerce acts as hub, advocate

There's no denying these are difficult economic times, but the Massachusetts business sector has seen better growth than most states, and small businesses are the spark that will ignite future expansion.

"Small businesses are more nimble," explains Paul Guzzi, president and chief executive officer of the Greater Boston Chamber of Commerce (GBCC). "They can look at market opportunities and respond quickly." Those quick response times may be one reason the state's economy is way ahead of the national average. At last count, gross domestic product (GDP) growth in metropolitan Boston was 4.8 percent, almost double the national GDP growth at 2.5 percent. Unemployment, while still high at 7.4 percent (August 2011), is significantly lower than the national rate of 9.1 percent.

"We have a deep bench," says Jim Klocke, executive vice president of the GBCC, acknowledging the great variety of businesses that make their home in the state. Eighty-six percent of those companies are small businesses—companies that employ 19 or fewer workers. Some of the best are represented in this year's Greater Boston Chamber of Commerce's Small Business Award honorees.

Guzzi sees the many colleges and universities in Massachusetts as contributing to the region's business energy. Many grads stick around to find work in the Boston area; some, like the Babson-alumni founders of IdeaPaint, one of this year's celebrated small companies, even start their own businesses.

Government, both state and federal, has also contributed to small business growth in the region. Thanks to \$560 million awarded to the Small Business Administration by the American Recovery and Reinvestment Act, the small business lending market has become more flexible. The SBA approved 1,592 recovery loans totaling \$479 million in Massachusetts from February 2009 to March 2010, an increase of 93 percent in dollar volume compared to the two months just prior to the signing of the Recovery Act.

There has also been progress at the state level, especially in regard to tax reform for those who invest in start-up companies. "There is increased incentive for investors who finance new companies in the state," says Klocke. "Now, if you invest in a start-up for three years, any profits you take are taxed at 3 percent, a much lower rate of capital gains."

The state has also altered its tax policy regarding business losses. In the past, Massachusetts

investors were allowed to carry forward their business losses for only five years. The law has now been changed to allow a carry forward period of 20 years, which is much more competitive with other states. "This is especially important for the Commonwealth because we have so many high-tech companies that may well take years to return investor capital," says Klocke. The Chamber was a leading force in advocating for the carry-forward reform and start-up incentive as part of its public policy agenda.

The cooperation with government has been particularly encouraging to the business community. "I've been around for quite a number of years," says Guzzi, "and I think the relationship is stronger than at any time in the past. Both the Governor and the Legislature realize that job creation is key, and that the state must be ready to compete not only on a national level, but also globally."

Certainly, this year's small business winners reflect the variety of companies that support the regional economy. From biotech (Enzymatics) to financial services (Baystate), from education (Little Sprouts) to high tech (WHERE), from professional staffing (Hollister) to food service (Burtons Grill), there is strength in the diversity of this economy, which will see the state through to better times.

2011 SMALL BUSINESS OF THE YEAR



Plant Early, Grow Strong

How a single mother changed early childhood education in Massachusetts

Fearlessness is a good quality in an entrepreneur, says Susan Leger-Ferraro, 46, founder of Little Sprouts, the Lawrence-based group of child enrichment centers being recognized as the 2011 Small Business of the Year by the Greater Boston Chamber of Commerce.

Leger-Ferraro should know. Her scrappy determination to prove that quality and innovation in early childhood education can go hand in hand with best business practices has transformed her. She went from being a teenager taking care of six kids in a rented duplex to the CEO of a \$1 million-plus, multiple award-winning enterprise, serving more than 1,500 children in 13 locations across the state, with more in the pipeline.

Leger-Ferraro attributes her success to being "a bit of a rebel," and not being afraid to grab opportunities. She talked her way into a job at a pizza parlor at age 11, volunteered at Boston's Museum of Science, and interned in a public school kindergarten class as a high school student. At age 17, she opened her first daycare center, licensed for six children, in a rented apartment down the street from her parents' house in Methuen.

"Build equity," a counselor with the Small Business Association advised her. So after a year, she moved the business into her parents' house, "ate a lot of spaghetti" to save money, and plowed the profits into a down payment on a house of her own, where she opened the first Little Sprouts Learning Center in October 1984.



Entrepreneur Susan Leger-Ferraro, left, has won awards for improving early childhood literacy rates.

Leger-Ferraro's two young sons (she later fostered a third, older boy) were her "science project," she says, laughing. Over six years, as Little Sprouts grew to serve 37 children, and

added 14 employees, she ran a household and a school in different parts of the same house.

"Early education is not usually recognized as a business," says Leger-Ferraro, but she's proven

that the principles underpinning other successful enterprises can be equally applied to creating a nurturing, stimulating learning environment for young children.

Investment in people within the organization and commitment to consumer satisfaction are key, she says. Little Sprouts' teachers on average take 67 hours of in-house training per year, compared with the industry average of 18.

On the customer satisfaction front, says Leger-Ferraro, "It's all about parent engagement." She requires all her site directors to be available at drop-off time and pick-up time in every classroom once a week, to connect with parents and hear their concerns. That personal interaction is crucial, given the diversity of families served: at the last count, 56 cultures, 23 languages, and a wide range of social and economic backgrounds.

For its success in improving early childhood literacy rates, and helping close the education achievement gap between minorities and the majority population, Little Sprouts has received the "Preschool Centers of Excellence" award from the U.S. Department of Education for the past seven years.

For Leger-Ferraro, the overriding question is: How can we get this service to more children? In the short term, Little Sprouts is planning to open eight new schools in Greater Boston. She is also eyeing expansion beyond New England. California, the entrepreneur muses, would be "a good place to do education."