

# Long Island Business NEWS

Where Business Gets Down to Business

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## Double vision

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For a decade, Don Ravella has been the driving force behind the Garage Eatery, a gourmet delicatessen and catering company in the Hauppauge Industrial Park. Now he's running a two-car Garage.

After expanding his operation to 120 seats, adding catering and boosting his staff to 60, Ravella decided that the best way to continue growing was to add second site.

The Garage Pitstop, a 10-seat deli that also does corporate catering, debuted March 1 on Veterans Highway in Bohemia.

"The new store is in a corporate area where we had corporate customers and name recognition," Ravella said. "We were doing a lot of catering and delivery into that area. I decided if I had a presence [in Bohemia], we could get a lot more catering business."

Few decisions by small business owners are as important as figuring out when – or whether – to open a second location. After realizing a dream once, they embark on it all over again, and face many of the same challenges. There are also some new ones.

On the most basic level, a company must roll out new marketing materials that reflect its new identity to the public.

"You have to redo your stationery and business cards," said Andrew Edson, president of Andrew Edson & Associates, based in Jericho with an office in Farmingdale.

That's the simple part. The real change goes beyond letterhead and marketing the soul of a company as firms begin operating out of their traditional comfort zones.

"[It] was a big decision," said Len Scioscia, president of East Hampton-based Cook, Hall & Hyde, a two-office insurance brokerage created in 1998 by a merger of three one-office firms. "We wanted to have a substantial home away from the East End of Long Island. And Bethpage was strategically right for us."

Cook Hall found it could attract and hire more people once it had two locations.

"It allowed us to be more aggressive in adding sales people in the center of Long Island," Scioscia said. "We had been sending sales people from the East End, driving 150 miles round-trip."

### Strategic decisions

While opening a second site may be a natural way to grow, it's not the way to go for everyone. Many firms instead expand by moving into a bigger office.

GrooveCar Inc., which provides automotive loan services to credit unions, late last year moved from a 1,500-square-foot Melville building to a 5,000-square-foot site in Hauppauge,

"It was simply a matter that we had outgrown our space," GrooveCar President David Jacobson said.

But opening a second location had been part of Ravella's plans, if the first business succeeded, for years. His original plan to open a second site came only after reaching a certain sales threshold, however. Instead, he decided to open the second before that, when a good location hit the market.

"When this spot became available, I didn't want it to pass me by," he said.

Many businesses convert a location to their business, but Ravella got a spot that had operated as a deli for decades. In the last six years, it had fallen on hard times. Three owners came and went.

"I knew the place had great potential, because I knew what it had been at one point," he said. "We do business down there. I knew it was a great location, but it was a sleeper."

Ravella also started the second operation without incurring additional debt. Instead, he refinanced the mortgage on his existing building over a longer term and took out enough money to renovate the second site.

He said the Garage Pitstop, with 15 employees, including three drivers, is doing well, making 66 lunch deliveries on a recent day. Employees at area firms order from the operation; warm weather is likely to boost sales.

"The timing is perfect," Ravella said. "This is coming into the busiest season. The spring time."

### **Déjà vu**

While starting up a second site is a way of expanding an existing company, it's also similar to starting up a new business, requiring staff and the usual infrastructure.

Companies may even find themselves changing their software to create a network used by both sites.

"We had to get a computer system that could handle a multi-office environment," Scioscia said.

Companies also have to decide how to structure their hierarchy when they're no longer a one-office operation.

"It necessitated some change in our organizational chart," Scioscia said. "We did not organize around offices. We organized around our businesses."

Cook Hall's heads of commercial insurance and benefits are both in Bethpage, but people work in those fields in both offices. The personal insurance business is run primarily out of East Hampton.

### **What next?**

Expansion into a second site may trigger many other changes.

Cook Hall found it could afford to hire more support staff to handle administrative tasks and training, which let salespeople focus on selling.

"We had more resources at our disposal," Scioscia said. "We were able to take some of the service duties from [salespeople] and give them more time to sell."

The big question, though, is whether and when to roll out more offices once a business owner already has opened two.

Although firms often wait many years before seeking to open a second location, once they've crossed that threshold, thoughts of the third may not be far away.

Ravella kept detailed records of how he set up the second site, so he has a system to set up a third.

"When we did this one, we said this is reproducible," Ravella said. "We would look, possibly, to do more. Now we have a game plan to do more."

Currently, he's focusing on his two locations, but not closing the door on opening others, if the right opportunity comes up.

"I have a few spots in mind," Ravello said. "When something comes up, I'll be ready."

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