



## PUBLISHER'S DINNER

# Navigating Entrepreneurship's Challenging Seas

**T**he publisher's dinner was sponsored by Comerica Bank, a leading bank for business, which has a proud 175-year history (2024) of helping businesses and their owners succeed, grow and when it is time transition generational leadership. Comerica believes it has the right balance of having a large bank's capabilities while providing small bank service. Florida leadership includes Dave Galbreath, Florida Market President and Indira (Rachel) Maharaj-Doorgasingh, South Florida Middle Market Banker.

Inflation, interest rates and enduring pandemic-related employee issues are challenges that continue to face America's businesses. Those in South Florida are not unique among them. While the state fared better than most through the pandemic's shutdown and aftermath, employers here were nonetheless burdened with ongoing situations that required continual attention.

In this South Florida Business Journal Publisher's Dinner, held in partnership with Comerica Bank's Indira (Rachel) Maharaj-Doorgasingh and moderated by President and Publisher Melanie Dickinson, executives from the bank and several area businesses discussed the acute challenges, perennial struggles and the benefits of running a business in the current market conditions.

Growth, talent development, ensuring unwavering customer and client service,

and ultimately succession planning for any economic environment were overarching themes.

While the conditions faced were the same, the approach to navigating them differed by company. For many, success boiled down to the people behind the organization,

"Banking is a people business, everything we do is based on our team and our ability to build relationships with customers, both businesses and consumers," said Dave Galbreath, Florida Market President for Comerica Bank. "We have added some great talent. We're going to continue doing that in Florida and the Southeast and continue to invest in our team."

To some, the more fundamental element is culture. WRK Lab, a Doral-based contract furniture dealer, is a recurring honoree in the Business Journal's Best Places to Work awards. To CEO

Danny Garcia, the company's role for itself and its clients is to help create a culture welcoming to employees and new hires. He found that this culture-first approach helped the company throughout the pandemic, when the company relied on its existing hybrid work environment to succeed with no furloughs or layoffs.

"We want to have the best talent in the organization, whether they are working from home, in the showroom or a Starbucks," said Garcia, whose embrace of that culture has allowed the WRK Lab to expand its vertical markets, including health care, legal services, corporate offices and the federal government. "We couldn't get rid of the person next to you because they were family."

## 'CULTURE AS CHARACTER'

Culture is an expression of character, said Oz Rashid, CEO of MSH, a Fort

Lauderdale-based talent recruitment provider. From new hires to the C-suite, "culture is not what we say, it's what we do," he said. "It's what employees do when leadership is not around. How you deal with customers, vendors and teammates when they're down."

Companies must hire around behavioral traits - punctuality, preparedness, accountability, for example - and build training and systems around those tenets, he said.

"If culture is going to be important, you have to be super-intentional about it," he said. Added Mark Alfieri, CEO of Brandstar, a Deerfield Beach-based production company, marketing agency, and content exchange platform, "culture is a verb. You have to live it."

"You hire for attitude and energy because you want to bring that into the organization," he said. "You always have to be working on it."

"As companies transition out of the immediacy of COVID-19 and into the ongoing reality it presents, they're realizing many employees are motivated by more than salaries. They want benefits that translate to lifestyle and security," said Melissa Linn, Senior VP and a senior wealth planning strategist with Comerica Bank.

"Post-COVID, employees aren't working just for money. They're working for all benefits," she said. The way to discover what those benefits are is to ask. Surveys have revealed employees want culture, collaboration, and other opportunities. "Finding out what motivates your employees and responding to that information is key to keeping them no matter what somebody else is offering."

### NAVIGATING CHANGE AND GROWTH

To Jerry Farber, CEO of Seven Seas Trading, a Sunrise-based sourcing, shipping and financing provider, Florida's business, tax and regulatory friendly culture has helped his clients - and, in turn, his company grow. With no corporate income tax for S-corporations, "it is a great place to open a small business like ours," he said.

As an employer, the market's globally rich diversity is particularly beneficial for a global business like Seven Seas.

"We have business partners worldwide," he said. "With more and more people moving to South Florida, there are even more opportunities to expand our business to new global markets."

Kathy Poole has run her Thomas Paper, Inc., in Florida and Mexico, for years. As she looks to the next chapter, transitioning and succession planning has become a common theme. Jeff Wilson, managing director of capital markets with Comerica Bank, has seen business owners like Poole. They're exploring transitions, transfers and exits, whether to family, key managers, as an ESOP to employees or private equity investors.

Wilson's advice for succession planning is to start early. Hire people who ultimately become managers and possibly eventual owners, he said.

"It's a critical part of the puzzle," he said. "If they don't have the right people in place, they can't walk away."

Mark Hurt is trying to groom his successor. As CEO, Progressive Group of Companies, whose portfolio companies serve the communications and technology fields, is building his management bench for Like other participants, Hurt nurtures his culture. But that starts early, with an eye on hiring and grooming for the right fit. Today, his people span the ages, but training them for succession can be challenging.

"You can go to all the business schools in the world, but there's no school for being the head guy," he said. "The only way you're going to lead is by doing it. Trying

to transition that to one person is kind of daunting."

At Brandstar, which has created a private equity firm for its divisions, Alfieri is teaching his rising staff the skills they'll need to lead. They draft business plans, how to manage, how to "operate the business as if they owned it," he said.

"When it's time for me to leave, I have a dozen people who've been groomed," said Alfieri, who likened it to "Charlie and the Chocolate Factory." "Getting them to think about it differently is a big piece of the puzzle."

### 'EMPOWER THE WOW'

Discussions surrounding transition can be difficult for a growing company like WRK Lab, Garcia said. As a first-generation company focused on growth, scale and "pushing forward," the topic can be hard, but he knows it's necessary. The goal is to eventually "empower the wow" and imbue that culture among salespeople and other leaders in a company poised for tomorrow.

"You always have to think that your company is going to be bigger than you are, always training people to make decisions the way I would make decisions," he said. "You have to allow them to fail - fail fast, fail often. That's how you learn. We celebrate our wins, but some of our failures are our greatest wins. I don't know if you can teach it. You learn by osmosis."

Galbreath finds nurturing talent and setting succession plans in place are among the most rewarding parts of his job and career.

"One of the things that's meant the most to me is the development of my replacements," he said. "The people I've trained, brought up and mentored have become my family. They can do the job I used to do better than I ever could and they can take this to another level."

Marshall Goldsmith's 2007 book, "What Got You Here Won't Get You There: How Successful People Become Even More Successful," helped Alfieri realize his role in growing the business he created. It helped him understand his place in the evolution of the business and its growth.

Not everything works out, he admitted. When one client-focused concept didn't pan out, he created what he called the "buy then build" strategy. Unlike some private equity groups, he finds people who are experts in adjacent businesses who would be complementary to the brands he works with, then offers those specialists with their own portfolio

of business and mastery in the sector.

That's the perennial goal of the entrepreneur - to find new areas of growth, while continuing to nurture existing companies. His current plan is to acquire a company a month in the next year to help take them to the next level of success.

"There's lots of businesses out there that are stuck because they're missing an ingredient to their cake," he said. "They're either stuck in the back office, or they're too busy being the chief sales officer so they don't have a system for selling or marketing their business, and they've hit their pinnacle. We come in and acquire a [majority] stake in a business, let the owner keep a meaningful stake, but let them grow their business as a true strategic partner. This gives them a second bite at the apple with a business that has more value because it's not so dependent upon them."

### THE LONG-TERM VIEW

With interest rates up and cost of acquisitions rising in kind, mergers and acquisitions activity has declined over the past twelve months, Wilson said. The action is in smaller, middle market deals and add-on acquisitions. Some larger corporate buyers are finding success in acquiring smaller businesses and integrating them into their own operations. These acquisitions are typically easier to finance and fit into a company's core growth strategy, he said.

While traditional private equity has relied heavily on debt to finance transactions, in this new market environment, he is seeing deals that are financed with significant equity. Investors are generating returns by acquiring smaller businesses that they can "bolt onto" existing platform companies to unlock operational synergies and enhanced profitability that justifies over-equitizing deals, he said.

The role the banker can play in that success cannot be over-emphasized, Galbreath said. "Banking is a people business. Everything we do is based on our people and the trust our clients have in us."

As entrepreneurs search for growth amid trying times, many know the role their bankers, customers and employees play as a collaborative force for success. Even as inflation, interest rates and employee issues continue to challenge businesses of all sizes, savvy owners and managers are likely to find success by fostering a **close-knit culture focused on tomorrow.**

## PARTICIPANTS



**DAVE GALBREATH**, Comerica Bank, Florida Market President



**MELISSA LINN**, Senior VP, Senior Wealth Planning Specialist, Comerica Bank



**JEFF WILSON**, Managing Director Capital Markets, Comerica Bank



**INDIRA RACHEL MAHARAJ**, Senior VP, South Florida Middle Market Banking Division, Comerica Bank



**MARK ALFIERI**, CEO, Brandstar



**JERRY FARBER**, President, Seven Seas Trading



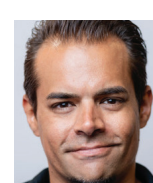
**DANNY GARCIA**, CEO, Wrk Lab Inc



**MARK HURT**, CEO, Progressive Group of Companies



**THERESA HURT**, Co-owner, Progressive Group of Companies



**OZ RASHID**, CEO, MSH

**KATHY POOLE**, CEO, Thomas Paper, Inc. (not pictured)