

Shrinking ad, marketing budgets push industry professionals out on their own

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By Teresa F. Lindeman, Post-Gazette Staff Writer

Craig Butzine was out of work, a victim of cutbacks at struggling computer networking firm Marconi.

Then a former colleague pulled him in on a branding project and, before Butzine knew it, he decided to turn his marketing skills -- he had been a global vice president for marketing at Marconi -- into a home-based business. He came up with the name, The Craig Group, "about as fast as the lawyer asked me."

One of the byproducts of a down economy are entrepreneurs such as Butzine -- skilled people who take a shot at doing something new, sometimes out of necessity, sometimes for the sheer excitement. That's particularly true in the region's advertising and marketing industry, which, thanks to heated competition for dwindling ad dollars, is rife with examples of people who in the past year decided to start their own shops.

Even in a depressed economy, opportunity exists for those willing to strike out on their own. A single-person shop often charges less than agencies with rent to pay and benefits to cover, playing into the hands of cost-conscious clients. Lone rangers also can get by on less -- a smaller project here, another one there can be enough to pay the bills. And creative types often do their best work on their own.

"The fact is that this is the type of industry where, even in good times, you find guys branching out," said John Wolfe, senior vice president, public affairs, for the American Association of Advertising Agencies. "It's an entrepreneurial industry."

Not everyone who says he or she is going into business for himself or herself actually means it. Some just want something on the resume to explain those slow months. "That's what they tell you at the outplacement companies," Butzine said.

Others plunge in, clearing spare rooms or getting that letterhead printed and heading out to pitch. The physical barriers are low. As Wolfe pointed out, some of the biggest ad agencies and the most successful were started in hotel rooms in New York City.

It helps that many companies and even some agencies are looking to outsource work, said Chris J. Lombardo, who was part of a trio that founded Operative Communications and Cameron Multimedia last year. The separate marketing/design and multimedia firms share Wexford offices but target different assignments or take on different parts of a bigger project.

In a few weeks, for example, Cameron expects to launch Web site and an e-mail service for the Original Fish Market, Downtown. Web visitors will be able to send questions into the chef, and regular clientele will get notices on the latest daily lunch specials. Next, Operative Communications will try to establish that format as a brand, LunchSite.com, and develop services for other restaurants.

Lombardo had worked at Valenta Platt Design Group, a Carson Street shop which went out of business last year. He's now working with G. Cameron Romero and Kurt A. Valenta, who had been a partner in the other design shop for many years. "We kept asking ourselves, 'Is the time ever really right? Do you ever really know?'"

The fourth quarter was the most difficult he'd seen, but things have picked up since the beginning of the year. The business launched in June, and it took the rest of the year before it was making enough to cover the bills. With eight clients, revenues probably have reached about \$20,000 a month, Lombardo said. He'd like to grow that to about 12 clients and \$35,000 a month.

Paul Furiga has a little more seasoning -- he just celebrated his first year as head of WordWrite Communications, a public relations business that operates out of his Wexford home office. The company has no employees but loosely links five professionals who can handle various projects.

Furiga calls himself, "The Accidental Entrepreneur." When he found himself unemployed at the end of 2001 after almost three years as a vice president for public relations agency Ketchum, he didn't intend to start a company.

Actually, he said, one of his first thoughts when he learned he wouldn't have a job was, "It was nice living in Pittsburgh, but it's time to leave."

But neither he nor the rest of his family wanted to skip town. So networking became his major assignment, and he hooked up with organizations that counseled out-of-work executives. There weren't a lot of options at the same level, but there were people who would pay him to handle their projects.

WordWrite officially launched a year ago March with BASF Corp. as the first client. Now the company's biggest clients are GlaxoSmithKline consumer healthcare in Moon and Downtown's Koppers Inc. Furiga declined to give specific financial results for WordWrite, saying only that it was a "good-sized, six-figure business."

A big asset was all the other former Ketchum employees in town. All four of the professionals who form the virtual network spent time at the Downtown firm, one of the region's largest public relations businesses.

Niki Campbell left in May 2002 after watching layoffs hit a number of her colleagues, including her supervisor. "It was just a very uncertain situation."



Dan Marsula, Post-Gazette illustration

Now she wears a number of caps from public relations consultant to publicist to freelance writer for the Post-Gazette. While she admits to waking up in a cold sweat a few times, she's getting by financially. Benefits come through her husband's teaching position.

Campbell actually thought it would be even harder, given the state of the economy. "I think there's a big market for people who have experience and aren't charging a lot."

Over at the quickly named Craig Group in Allison Park, Craig Butzine agreed, although he has to say it was an adjustment working without a corporate support network. He sends invoices. He takes the calls. "If the computer breaks, it takes me and the Dell help line to get it fixed."

Butzine had Pittsburgh roots that he didn't want to transplant, but most of his work has come from outside the market. He traveled in his past positions and built his network in such places as Washington, D.C., Texas and California.

In other markets, he said, his pricing is seen as incredibly reasonable. The exception might be the cost of airfare. He's so embarrassed by how much it costs to fly out of Pittsburgh that he has taken indirect routes, such as going to Atlanta before heading on to Dallas, to get the price down. He's worried expensing high fares might weigh against him in the competition against agencies in the clients' hometowns.

One of the more difficult parts of being a one-man shop may be constantly selling his services. Butzine said he took heart in research that shows that most agencies, even the large ones, make as many as 10 or 12 pitches just to get one piece of work.

In the end, some will stick with their new ventures. Others will move on for whatever reason.

This fall, Campbell made the media rounds pitching the news of a production house launch in the South Hills. But recent calls to the business, Chop Shop Media, were not returned, and its Web site was not available. This week the phone line had been disconnected.

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