

MONEY WRAP

Report: US automakers to gain on gas mandates

U.S. automakers have underestimated the importance of fuel efficiency to consumers, but new federal standards are expected to help the companies turn a profit, according to the results of a University of Michigan study released Monday.

Researchers at the U of M Transportation Research Institute said plans for vehicles to be 30 percent more efficient by 2016, along with federal intervention at General Motors Corp. and Chrysler Group, are forcing the companies to pay closer attention to fuel efficiency when designing new cars, something the automakers failed to do in the past.

FTC requests more info from drugmakers

Drugmakers Merck and Co. and Schering-Plough Corp., which are in the process of a \$41.1 billion tie-up, said Monday the Federal Trade Commission has asked for more information about the deal.

Merck, of Whitehouse Station, N.J., and Schering-Plough, Kenilworth, N.J., said they expected the request, which was made under federal antitrust law. The companies intend to cooperate with the request.

WHAT'S NEW

■ Univest National Bank and Trust Co. is holding a food drive at its Bensalem, Feasterville, Newtown and Solebury branches through July 17. The food will be donated to the Bucks County Opportunity Council, which will distribute it to local food pantries. People also can donate baby items and personal care products.

■ GlaxoSmithKline is accepting applications for its IMPACT Awards through July 15. The pharmaceutical company will award \$40,000 each to as many as 10 organizations in Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery or Philadelphia counties. To qualify, applicants must provide health care services, have a total annual operating expense of less than \$2.5 million and have been in existence as a 501c3 nonprofit organization for at least five years. Information: www.gsk-us.com or 215-751-5171.

■ Advanced Kenpo Karate of Doylestown has merged with The Karate Schools of Plumstead. The school is in the Plumstead Shopping Center on Easton Road.

■ Ethos Healthy Paints & Wall Coverings in Buckingham will provide eco-friendly paints to Habitat for Humanity's green home-building initiatives in Bucks County. Mythic Non-Toxic Paint, which has no volatile organic compounds, toxins or carcinogens, will be used in all future building, including homes now under construction in Perkasio and Bristol.

■ Harleysville National Bank has launched GenGreen, a suite of banking products that officials say have been designed with customer convenience and environmental sustainability in mind. The initiative kicks off the bank's yearlong 100th anniversary celebration. GenGreen consists of fully electronic checking and savings accounts that are designed to provide free, paperless banking. Harleysville National Bank also will donate up to \$25,000 toward local environmental initiatives for every Visa check card purchase and online bill payment initiated by a customer with a GenGreen checking account. Information: www.harleysvillebank.com/green.

■ A group of local landscapers will host Alex's Lemonade Stand Tour Aug. 1. Proceeds will benefit Alex's Lemonade Stand Foundation, an organization dedicating to fighting childhood cancer. Tickets are \$15. Each company will showcase its best water features. Participating area companies are: Lentzcaping Inc. in Warrington; Aquatic Connections by George in Trevoise; Cedar Run Landscapes in North Wales; and James Ponds in Doylestown. Information: www.aquascapesdv.com and click on the Pond Tour logo.

Send your business news to money@phillyBurbs.com.

Stocks tumble on bleak economic outlook

BY MADLEN READ
ASSOCIATED PRESS

NEW YORK — A surprisingly bleak forecast for the world economy pushed stocks to their biggest loss in two months.

Major stock indexes tumbled by more than 2 percent Monday, sending the Dow Jones industrial average down 201 points, after the World Bank estimated the global economy will shrink 2.9 percent in 2009. It

previously predicted a 1.7 percent contraction.

The grim assessment was the latest unwelcome surprise for the market since last month and further eroded hopes that the economy was starting to emerge from recession. Investors began driving stocks sharply higher in early March, encouraged by modest improvements in housing, manufacturing and even unemployment.

The dampened economic outlook from

the World Bank, a global lender based in Washington, also weighed on the prices of oil, metals, and other commodities. Those price drops in turn sent energy and metal producers' shares falling.

The stock market is coming off its first weekly loss in more than a month after mixed economic readings last week.

The Dow fell 200.72, or 2.4 percent, to 8,339.01, its lowest finish since May 27. It was the biggest drop for the blue chips since

losing 290 points, or 3.6 percent, on April 20 as investors worried about the soundness of bank balance sheets.

The Dow has fallen for five of the last six days and remains down for June.

The Standard & Poor's 500 index fell 28.19, or 3.1 percent, to 893.04, also leaving the index with its biggest slide since April 20 and erasing its advance for the year. The Nasdaq composite index fell 61.28, or 3.4 percent, to 1,766.19.

Dressing for success

Photo available at <http://clickintelligencer.com>

The owners of Sterling's never thought they'd be running a ladies clothing boutique.

BY CRISSA SHOEMAKER DEBREE
STAFF WRITER

Todd and Vickie Glazar probably are the last people you expect to find behind the counter of a ladies clothing boutique.

Until they bought Sterling's in New Hope, they wouldn't have expected themselves to be in the women's clothing business, either. Todd, after all, is a former banking executive who harbored a dream of owning his own yacht dealership. Vickie was in public relations and marketing.

But over the past six years, the couple, who live in Erwinna with their two children, said they've found a successful and fulfilling life running the shop, which has become known for its large assortment of "mother-of" gowns.

"I know, it's weird," Vickie said. "Friends ask, 'Why on earth did you choose that business?'"

The Glazars began looking for a business to run shortly after the Sept. 11, 2001, terrorist attacks. Todd, at the time, was general manager at a yacht brokerage. While he wanted to open his own dealership, the market quickly bottomed out after the attacks.

"It became clear we'd never meet our goals of having a family and directing our own destiny in that business," Todd said.

While they didn't know what kind of business they wanted to run, they knew what they didn't want. They didn't want to be in a business that took advantage of people or dealt with people during the worst times of their lives. That meant disaster recovery businesses, which were becoming popular at the time, were out. They also didn't want a franchise.

Todd learned about Sterling's sale online and through a business broker.

"It was meant to be," he said. "We found it twice."

While they knew little to nothing about retail, the Glazars were confident in Sterling's 20-year reputation and its staff, most of whom agreed to stay on under the new owners.

"I learn well from other people," Todd



RICK KINTZEL / STAFF PHOTOGRAPHER
Todd Glazar and his wife, Vickie, owners of Sterling's in New Hope, bought the clothing boutique six years ago. They were looking for a new business after the Sept. 11, 2001, attacks dampened Todd Glazar's aspiration to own a yacht dealership.

said. "What I'm good at is taking it to the next level."

Over the past six years, Todd has learned to do everything involved in the business, including buying products and dealing with vendors. He's also the all-around handyman, fixing computers, plumbing and anything else that breaks inside the store in Union Square. Vickie handles marketing and the store's Web site.

The Glazars said they're proud of Sterling's large selection of high-quality, high-fashion, youthful gowns. Much of their clientele are mothers who need outfits for weddings or other family celebrations.

But that in itself provides a challenge, they said. Being a "mother-of" store means that customers visit only when they have an event to attend. Most of their business comes from word of mouth, which makes customer service the No. 1 priority, they

said. "We get to be a part of a memorable time for a people," Vickie said. "People say dresses aren't important. But it is an important part of the memory."

The economy has impacted sales. And because vendors aren't keeping as many dresses in stock, some women are walking away disappointed because they're waiting too long to place their order, the Glazars said.

But even the down economy reminds the Glazars why they chose to go into their own business.

"In these times, so many people have lost control over their destiny," Todd said. "We can say, if sales are down, we can do something about it."

Crissa Shoemaker DeBree can be reached at 215-345-3186 or cshoemaker@phillyBurbs.com.

CONTACT US

Do you know anyone who's making a living as an entrepreneur or an employee in an occupation he or she always had dreamed about? If so, e-mail cshoemaker@phillyBurbs.com or call 215-345-3186.

Want to know more?

Sterling's, 210 Union Square Drive in New Hope, can be reached at 215-862-3444 or online at www.sterlingsofnewhope.com.

Photo available at <http://clickintelligencer.com>

Preparing for better times

Business owners and experts agree that planning for the nation's economic growth is crucial.

BY CRISSA SHOEMAKER DEBREE AND JOHN ANASTASI
STAFF WRITERS

Being unprepared to capitalize on an economic rebound might not be such a bad problem, given how tough the downturn has been on many businesses.

But determining when and how to shift out of survival mode is something many companies will grapple with after thinning their ranks and cutting production just to stay afloat during the past year.

"It was a rational decision to make — survive 2009 to be alive in 2010," said Joel Naroff of Northampton, chief economist for TD Bank.

If the recovery comes more quickly than expected, however, some companies will find themselves scrambling to add workers or ramp up production while possibly missing out on some profit.

"We've been predicting that the slowdown will last through this year and into early next year, but if it's shorter, many won't be as well-positioned as they need to be," Naroff said.

The key is to plan ahead, experts

said. Cipriani Builders hasn't been hiring new employees. But it's interviewing candidates to identify key new hires when business improves, said Jay Cipriani, president of the South Jersey home remodeling company based in Woodbury.

The company began seeing a slowdown late last year, and budgeted accordingly to get through 2009. It's getting smaller jobs than before, and even launched a handyman service, Cipriani said.

"We might be just hanging a storm door now, but if we do it (and it's) a great experience for the homeowner, they're going to remember that in the future," he said. "It's positioning us for future referral work, which is about 67 percent of our business."

Unprepared companies will be hit hard if the turnaround is strong and swift, Naroff said.

"If we go through two or three years of 4 percent growth, they could leave a lot (of profit) on the table," he said. "If it's 2 percent or 2½ percent, they won't. ... I'm not expecting the rebound to be particularly strong. In fact, I think it'll be a little tepid. We'll (first) see things go from an atrocious level to a bad level."

The recession shouldn't change a business's plans for the long term, said K. Leon Moyer, chief executive of Univest National Bank and Trust Co. of Souderton. But they need to maintain financial strength during

the recession so they can take advantage of market opportunities when they arise, he said.

"You often hear people talk about how cutting into the muscle is OK; cutting into the bone is dangerous," Moyer said. "You will be slow to react if you cut back too hard. There's a balance between cutting back realistically and cutting back to what you can afford."

That may mean not laying off employees, as Univest has avoided doing, Moyer said. The company has even expanded some lines of business, including residential mortgages, during the recession.

"Today, that line of business is making a contribution to the overall profitability to Univest," he said.

"In other areas, where some of our lines of business are slower, we have key individuals that we have said we need those people there to be ready when things turn around."

Recruiting manager Mike Shedroff, who specializes in accounting and finance positions at Robert Half International, said now is the time for companies to start thinking about how they'll prepare for better times.

"We all know it's going to bounce back," said Shedroff, who is attached to the staffing firm's Philadelphia office but also spends time in its Bensalem location. "Think about it now."

There already are signs the economy is bouncing back, Shedroff said, pointing to increasing demand for temporary staff and



ART GENTILE / STAFF PHOTOGRAPHER

Chris Leskauskas (right), CEO Peddler's Village, wants to continue to offer what he calls four-star service at three-star prices and along with David Zucker (left), GM of Earl's Prime restaurant, and Jim Perillo, (center) director of restaurants, has changed Earl's Prime by offering smaller portions and specials as cost-cutting measures.

more employers converting temp jobs to permanent positions.

Some business owners say the recession has forced customers to change spending habits — and the way businesses adapt to that is vital.

"I think when we come out of this, people are going to continue to scrutinize where their dollars are spent and what's the value in that," said Christopher Leskauskas, CEO of Peddler's Village, the Buckingham shopping, dining and hospitality center. "We're going to continue to offer a four-star experience at three-star prices."

Peddler's Village rolled back prices on 10 menu items at its Cock 'N Bull restaurant and began offer-

ing customers two-for-one specials when they return. Earl's Restaurant, the steak and seafood eatery, now serves foods from local sources and offers half-size portions on 50 percent of its menu.

"A lot of our actions, and a lot of the steps we've taken, are going to continue," Leskauskas said. "The consumer's not dumb. I think they've gotten wise to a lot of things through this time."

Crissa Shoemaker DeBree can be reached at 215-345-3186 or cshoemaker@phillyBurbs.com. John Anastasi can be reached at 215-949-4170 or janastasi@phillyBurbs.com.