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Forging partnerships

Lazer Spot execs say close banking ties key to success

By Leslie Williams Johnson
CONTRIBUTING WRITER

Lenders tend to look for certain attributes when seeking good business customers, whether the economic climate is fair or foul.

Having a knowledgeable team in place; sticking to what the company knows best; offering some leading-edge and cost-effective options for clients; and staying in regular touch with the bank can make a small or mid-sized outfit shine even in a recession's storm.

Wells Fargo's sunny outlook on Alpharetta-based **Lazer Spot Inc.** — the bank recently increased the manufacturing and distribution yard management company's line of credit to \$5 million from \$3 million — suggests the company has all these qualities, and more.

"We're focused on companies with excellent track records, where management teams are proven in executing the plans they have. We really value that and appreciate that," said Leonard Walker, head of business banking for Atlanta for **Wachovia**, a Wells Fargo company.

But in these gloomy days of recession, what's most noticeable about Lazer Spot — which keeps manufacturing and distribution yards running efficiently by moving trailers — is its steady growth despite the economy.

While many companies, regardless of size, are making deep cuts and seeing lower demand for their product or service, Lazer Spot added about 17 new customers last year and currently has 840 employees, up from 763 employees at the end of last year.

It projects revenue of \$62 million this year. Company President Adam Newsome doesn't see its expansion stopping.

"There's no reason we cannot continue to grow 10 to 15 percent year-over-year, over the next five years," he said. "That's a real attainable goal."

Of course, even with its positive progress, Lazer Spot hasn't been completely unaffected by the downturn.

Seventy-five percent of its customers have had to undergo some degree of shrinking, Newsome said. But Lazer Spot hasn't ignored their challenges; the company has renegotiated rates with several customers.

"We have committed ourselves to our customers ... working with them during tough times rather than sticking our head in the sand and saying, 'This is our pricing,'" he said.

The company, which operates 120 different yards, also has eco-friendly options: it uses bio-diesel fuel in tractors where possible, has a no-idling policy, and recently purchased its first hybrid tractor called the Capacity PHETT.

"We try to be on the cutting edge," Newsome said. "We see a big push to go



Finding funds: Leonard Walker, left, of Wachovia, and Lazer Spot President Adam Newsome worked together to help the company get the capital it needed to grow.

green. Rather than see that as not economically feasible, we decided we needed to jump in and really take the bull by the horns."

The company is evaluating buying additional battery-operated Capacity PHETTs. It also has nine Ford Escape hybrids as part of its car fleet, Newsome said.

Jeff Cunningham, an attorney with **Foltz Martin LLC** who works with small to mid-sized businesses, said the economy could eventually see more good stories like Lazer Spot's.

"They are on the leading edge of what we will begin to see, and good for them," Cunningham said, learning of some of Lazer Spot's success. "If they're in growth mode and they're able to get an expansion of a line of credit, probably one thing that helped them is they are in a service busi-

ness but have a lot of assets" — which makes lenders more comfortable, he said.

"They're operating in an industry that has been really challenged lately. They must be providing a good cost benefit trade-off to their customers," Cunningham said.

Ray Reddrick, Atlanta Gatorade plant manager, said his good impression of Lazer Spot's team — he specifically recalled meeting CEO Mike Boone — and the quality of its equipment "was a sales point for me." In addition to its regular duties, Lazer Spot assists the Gatorade facility by using specially designed blocks to increase the elevation of tanker trucks, therefore completely emptying them of ingredients, such as liquid sugars.

Lazer Spot Inc.

Year established: 1996

Revenue growth, 2008-2009: 5 percent

Projected revenue for 2010: \$62 million

Locations: In 23 states — Georgia, Florida, Virginia, South Carolina, North Carolina, Tennessee, Texas, Oklahoma, Arkansas, Louisiana, Utah, Ohio, Missouri, Indiana, Kentucky, Mississippi, Illinois, Alabama, Wisconsin, Connecticut, Maryland, New Jersey, Pennsylvania

Current employees: 840

Business philosophy: Form and keep good partnerships; stay on the cutting edge

The company has "gone above and beyond moving trailers around," Reddrick said.

Now operating in 23 states, Lazer Spot plans to head into more West locations. Currently, they're as far westward as Utah.

Doug Olesen, senior relationship manager at Wachovia and Wells Fargo, said he speaks to Newsome on a regular basis — key, he said, in establishing a good customer-lender rapport.

That's just one example of what companies in need of financing should do.

"What I hear from sources of financing time and time again is, make sure you have a good team in place," said Cunningham. "And be prepared before you go in. ... Ask yourself the questions on the front end and have answers prepared before you go in."

Olesen said the weekly chats with Newsome, as well as Wells Fargo's advocacy, also helps the bank to be "a true partner, to do things proactively and not reactively."

The ongoing communication isn't an accident. "We have really understood the value of having an excellent banking relationship," Newsome said.

"We are very capital-intensive. We have to buy trucks. We have a constant need for capital."

And, he said, with the bank's assistance, adding more jobs was possible. Newsome hopes Lazer Spot will bring on about 40 more employees this year, including in Georgia.

To Olesen, Lazer Spot stands out in the slow recovery.

"I would not say by any stretch of the imagination that things are fixed or back to normal," he said, though he is seeing some good signs.

Customers' cash balances are increasing and there's more willingness to borrow money again — which is just fine with Wells Fargo.

"I want to make more [loans] than I'm making," Olesen said.