



JASON FARMER / STAFF PHOTOGRAPHER

Jack Reager, president of Blackout Design, says his clients want value.

AGILE COMPANIES MAY HOLD THE KEY

Economic diversity crucial as region looks to the future.

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Jack Reager likes to think it's no accident more than 70 percent of Blackout Design's business is based on referrals from satisfied customers.

It comes around to a five-letter word the president of the small, mostly Web-based advertising agency hears time and again as businesses tighten their belts and hunker down against the recession.

"Everybody is talking about value," said Mr. Reager, 31, who founded Blackout Design in 2003. "People are not just throwing money at solutions — you need to bring real, tangible value ... when you are contracting with someone or selling them a service.

"Maybe two years ago, you didn't have to worry about service or that one customer who may not have been happy with something. But now I'm hearing an awareness to, you know, the customer is definitely number one."

As experts ponder what the post-recession landscape in Northeast Pennsylvania will look like, some cite the opportunity to build upon major education-related initiatives like Commonwealth Medical College, Marywood University's new architecture school and Wilkes University's proposed law school.

Others think the recession will produce a validation of past efforts to diversify the regional economy and invest in small business development, diluting the potential a calamitous collapse of a single company, industry or sector will drag everyone else down with it.

Austin Burke, president of

the Greater Scranton Chamber of Commerce, said every downturn produces opportunities for innovation and reinvention — some are embraced by choice, some by necessity.

In companies like Blackout Design, Mr. Burke sees the possibility for a new business model to evolve in Northeast Pennsylvania, one that is almost the antithesis of a huge, monolithic, all-under-one-roof corporation like a General Motors.

He compares it to the process of making a motion picture, where various partners come together to work on a project and then go their separate ways. When another project comes up, they reassemble in a different partnership.

"I think you are going to see that more as a model in the next few years after the recession," Mr. Burke said.

Mr. Reager, whose company at Scranton Enterprise Center on Lackawanna Avenue employs seven full- and part-time workers, said one of Blackout Design's strengths is its agility, a capability "to partner with companies with a lot of synergies to ourselves that are not necessarily in the same arena."

The thing that often goes unrecognized, he said, is there are many other small, nimble businesses across the region that have a similar profile, ranging from independent banks to specialty manufacturers to technology-based companies like his.

Often family-owned businesses with loyal customers

and solid reputations for service, such as those "little niche businesses," may be the region's best insulation against the broader effects of the recession and an important engine in driving the recovery, Mr. Reager said.

"You add enough of those together and they have a profound impact on this region," he said.

If higher education and health care are linchpins of regional economy, the smaller enterprises are collectively no less important, Mr. Reager said. They may not be as flashy as a new medical school, but they are an integral part of the puzzle.

Teri Ooms, executive director of the Institute for Public Policy and Economic Development, headquartered in Wilkes-Barre, said the recession will reinforce the importance of ongoing community development — attracting new businesses, nurturing existing businesses and being aggressive and proactive to retain businesses that consider relocation.

There will be a recognition that what happens in one industry or one town in Northeast Pennsylvania can have an impact on everyone, illustrating the need for cooperation and collaboration, she said.

Ms. Ooms also hopes there will be more willingness to embrace change.

"There needs to be a recognition that change is good," she said. "There seems to be a fear of change, a fear that change is bad. We need to get past that."

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