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NOVEMBER 2007

\$3.95

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thinking small is **BIG BUSINESS** in O.C.

Companies with fewer than 50 employees are leading the way with their entrepreneurial spirit and unwavering faith in self-determination

by Rosalva Hernandez

At first glance, it might be difficult to spot a link between a 3-year-old Santa Ana staffing company, a fourth-generation, family-run mortuary in Anaheim and the traditional aspects of religion.

But a connection becomes clear when you begin to understand what propels the owners of these two, very different small businesses: Both Rodney Hopkins of Darnell Technical Services and Becky Areias of Hilgenfeld Mortuary hold a simple, deeply personal and unabashed faith in what they do. And that faith has spurred the small business community in Orange County to record growth in recent years. Of course, it helps they're in a region that nurtures such ventures.

"Small businesses flourish in Orange County's entrepreneurial climate," touts the 2007 Orange County Community Indicators report, a compilation of government, university and private research data detailing change or stability in a wide spectrum of topics affecting the county.

Fewer residents work in large firms (500-plus employees) in Orange County than the statewide average (19 percent versus 21 percent in 2005), according to the report. And the number of small firms (those with fewer than 50 employees) has grown the most since 2001.

Of course, some of this growth is due to sheer logistics. Orange County—historically viewed as a vast bedroom community to its heavily urbanized neighbors—has largely been defined by the smaller family and individual-owned businesses that tend to sprout in such areas.

lending programs, the county has an abundance of small-business counseling and training organizations, such as SCORE, a volunteer corps of retired business owners; the Small Business Development Centers, including Tri-Tech SBDC, which focuses on high-tech and high-growth companies; and the Institute for Women Entrepreneurs.

"When you surround them with so much support, you don't give them room to fail," Quijada explains.

Support from the SBDC and SCORE helped Hopkins focus on his company's growth and allowed him to develop relationships within an established local network.

"It's a business of relationships," says Hopkins, who worked for three technical staffing companies before establishing his own.

He met his wife, Pamanita, a design engineer, through one of his consultants in

the face of overwhelming change. Take the Russell clan, for example.

In 1930, Santa Ana plumber James H. Russell took destiny into his own hands when he quit working for a local outfit to be an independent contractor. But World War II, with its severe lead and copper shortages, soon scuttled the business.

Undaunted, Russell and his son, Jim, launched a second venture in 1946. With the post-war building boom, they were soon off and running. By the 1970s, when grandson Steve entered the family businesses, the Russells were a fixture in the city.

Like his grandfather and father before him, Steve Russell says it's not about trying to be the biggest or wealthiest; it's about doing your best in providing a service.

"We just want to keep it going the way it is," he says. "You get too big, and you can't control it."

"We're just glad that we can be there at a very emotional time in their lives.
We're here to help them, guide them, service them at a time
when they may be lost, spiritually. ...
We think of it as a ministry."

—Becky Areias, Hilgenfeld Mortuary in Anaheim

But even as the county outwardly evolved from a quiet, agricultural community to an affluent, high-tech mecca, its soul remained adamantly entrepreneurial, as evidenced by the record \$437 million in loans made to Orange County businesses by the U.S. Small Business Administration's Santa Ana District Office in 2006. In fact, the administration's Santa Ana District, which also serves Riverside and San Bernardino counties, was second in the nation in total dollars loaned and first in the nation in Section 504 (real estate) loans totaling \$395 million in 2006.

"We live in a very vibrant county," says Adalberto Quijada, director of the administration's Santa Ana District. "It boasts a great infrastructure in which to do business and where small businesses can thrive."

In addition to ready access to capital

1992. It was a fateful meeting. Together they identified the critical need for engineering staffing in burgeoning Orange County and decided to help fill it by combining their talents.

In January 2004, with roughly \$175,000 in savings and a giant leap of faith, Darnell Technical Services began doing business.

Now, only three years later, the business has grown by 60 percent and its internal staff to six. The couple hopes to open offices on the East Coast and the Midwest over the next three years.

"More than anything, it's about helping people," says Hopkins. "That's important to us. We call it a ministry for the joy and pleasure of helping others."

That passionate commitment, that underlying belief that what they do matters, has sustained many small businesses in

Repeat customers are 90 percent of the family's business, and word of mouth delivers a tidy 5 percent increase in orders each year. Despite encroachment from a flurry of new rivals and a growing do-it-yourself movement, Steve, 58, foresees a strong future for the company.

"You can't make everyone happy, but we try," he says. "I'm just proud of the fact that we're still around after all these years."

That same sentiment is shared by Areias of Hilgenfeld Mortuary.

Few things in life are as inevitable as death. But the path to eternal rest takes many forms, and it is in those forms where competition for a mortuary business lies.

"It's not that there are newer mortuaries, but prices are always dropping," says Areias, who began helping with the fami-

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ly accounting books when she was 15, then went on to get her funeral director's license in 1989. "People are always shopping for a good price."

Many now turn to casket wholesalers to decrease the overall cost of a funeral, rather than purchase one from a mortuary as part of its service. Such practices may put a dent in newer mortuaries, but a long-timer like Hilgenfeld Mortuary—established in 1927 by Samuel and Lydia Hilgenfeld—can weather it just fine, says Areias, the couple's great-granddaughter.

"We excel because we give very personalized service," says Areias, 42. "We treat them like they were part of our family, with respect and compassion."

The mortuary now has 13 employees, performs roughly 600-plus burials a year, with a 5 to 8 percent increase per year. With Areias' daughter already working occasionally in the family business, the Hilgenfeld's legacy appears assured for another generation.

"We're just glad that we can be there at a very emotional time in their lives," Areias says. "We're here to help them,

guide them, service them at a time when they may be lost, spiritually. ... We think of it as a ministry."

David W. Scharp, a physician and medical researcher, didn't have the benefit of easing into a successful, established company built on generations of business smarts. But he was a 30-year veteran of diabetic research when he launched his two companies, Prodo Laboratories Inc. and its nonprofit counterpart, Invenio Institute, in Irvine last year. Still, he had never run the entire show before, and he found a business suit an uncomfortable fit at times.

"It's very difficult as an individual to work both sides of the fence," Scharp says.

The volume of knowledge and hard work it took to launch and run his companies in the beginning was staggering. From compiling a comprehensive business plan in order to apply for a loan—he received \$300,000—to consulting with a SCORE financial adviser to assemble the company's infrastructure, Scharp, the scientist, was sometimes lost among the sea of paperwork.

All the effort has paid off, though—in

spades. Less than a year after its founding, Prodo Laboratories developed a ground-breaking product to aid diabetic researchers everywhere: a reagent, or chemical substance that can keep islets, which are cells in the pancreas that form insulin and are the basis of diabetes research, from disintegrating too rapidly out of the body.

It is the type of pioneering work Scharp intended from the beginning.

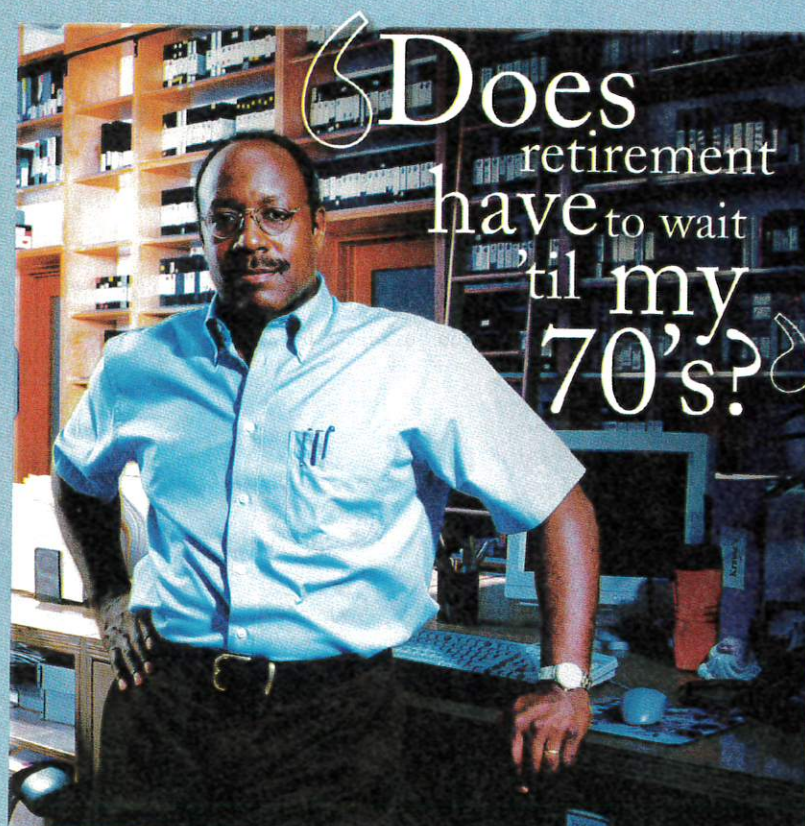
"I always knew my love was science and inventing new products," he says. "What I'm trying to do now is become a resource for diabetic researchers."

Already Scharp has transferred the administrative reins to Jenine McQuaid, the firm's new chief operating officer, while he concentrates once again on the science.

"I feel like we've started walking and hope soon we can start running," Scharp says.

Spoken like a man with a lot of faith. **OC**

—Rosalva Hernandez is a freelance writer who was raised in Garden Grove.



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