

As Seen In

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**Business**NEWS

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# How the stalwarts do it

**Long-lived LI companies  
draw on experience to  
survive in this economy**

Throughout history, there have been economic upswings and downturns. Tough business cycles have forced many companies to throw in the towel. But others have stood the test of time, weathering the storm to come out intact on the other side of recessions, wars and industry-specific woes. These companies are drawing on their long experience to get through the current economic crisis.

#### **Don't stop growing**

Daniel Gale Sotheby's International Realty has been in business since 1922, focusing primarily on residential real estate on the North Shore. "We are a privately held firm that has grown and prospered through every kind of market," said James P. Retz, senior vice president, marketing and technology, for the venerable company, which is based in Huntington. "Virtually anything you can imagine has happened in those 86 years – not just economic downturns."

In recent history, the recession of the early 1990s hit the real estate industry particularly hard. "In 1993, Daniel Gale acquired MacCrate Realty, which had three offices, during what a lot of people would call a very tough real estate market," Retz said. In 2007, with the market again in decline, Daniel Gale expanded to the East End of Long Island and into Carle Place, adding four offices in total. "We felt it was the perfect opportunity to expand our operations," Retz said. "But we grew very logically and strategically; it was not just growth for the sake of growth."

For 61 years, Cook, Hall & Hyde, Inc., an insurance company with offices in East Hampton, Melville and Fairlawn, N.J., has been growth oriented, even during the tough economic cycles. "You need to stay focused on growth, even when customers are shrinking or going out of business," said Len Scioscia, president and chief executive of the

company, which has about 120 employees. "Push to find new customers – you can do that in any environment. You can't go into a shell and have the mentality that you are just going to weather the storm."

Cook, Hall & Hyde's growth has been organic, Scioscia said. "We don't borrow money to acquire insurance agencies," he said. "We pursue new customers one at a time with our salespeople. In a recessionary climate, you may borrow and estimate debt based on last year's information, but then you may find all you thought you bought is not there – that it's shrinking. We have avoided encumbering our company with debt, and it has served us well."

#### **Diversify**

Cook, Hall & Hyde has three core businesses: personal insurance, commercial insurance and employee benefits.

"Diversification allows us to feel the effects of a downturn less," Scioscia said. "Our commercial business, which is affected most by recessions due to companies going out of business or shrinking, is only about half of our business."

The company diversified further three years ago by adding a surety business to its stable of products.

"We have expanded over the years to create multiple practice groups," said Teddy Selinger, a CPA and the managing partner of Margolin, Winer & Evens, a 61-year-old accounting and business advisory firm in Garden City. "This has helped keep us in a good situation during downturns."

#### **Give your customers what they want**

Hap Boening's grandfather started Boening Brothers, a beverage distributor now based in North Lindenhurst, in 1901. The company not only survived two world wars and several economic downturns, but major industry challenges like Prohibition and the

Container Act of 1982. This stalwart prospered by keeping on top of what its customers wanted and by adjusting its products accordingly.

"During Prohibition, we sold soft drinks and Near Beer, which was a nonalcoholic beer," said Boening, who joined the company in 1950. "After World War II, imported beer grew, and it's still growing. But now, craft beers are the fastest-growing category."

Boening Brothers, which focuses on beer, makes it its business to constantly analyze which products are in demand, and to get them to its customers. "Ultimately you have to satisfy the customer," Boening said.

"We have weekly meetings with our salespeople to find out what's going on out there," he said. "We don't manage from the top down – but from the bottom up."

For instance, he said, "sales guys talked about how maybe people wanted lime in their beer, since

they add it to their bottles of Corona," he said. "We began marketing Chill, which has the lime right in the bottle – and it's doing well."

He added, "My father said beer and fruit don't mix, but he's in Heaven now, so I guess that time has passed."

Companies often require extra service from their business service providers during tough times. "You must never lose sight of your current clients," Scioscia said. "You must pay attention to their needs and help them with their problems. Our job, as insurance brokers, is to keep our clients' premiums as low as possible. We need to constantly reevaluate their products throughout the year, which is especially important during the tough times."

Being proactive in providing advice for clients has served Margolin, Winer & Evens well. "We keep on top of what's going on in our clients' companies, so we can help them avoid what they need to avoid to weather bad times," Selinger said. "Our

proactivity has allowed us to maintain longstanding relationships with our clients."

#### **Promote efficiently**

In 2006, when a market downturn was becoming inevitable, Daniel Gale's management team met to come up with a game plan. One strategy was to reevaluate vendor relationships, such as those with direct mail and media companies. "We became more diligent about negotiating prices, and we expanded our Web-based marketing in a highly intelligent way," Retz said.

When times are tough, companies must promote their products more efficiently. "We're competitive as hell with our point-of-sale promotions," Boening said. "We fight for eye-level shelves."

Beer is consumed at leisure, and Boening Brothers participates in fun events, no matter what the economic climate. "We're in 15 parades to promote Guinness around St. Patrick's Day," Boening said. "We develop programs around the four seasons, as well as holidays like Cinco de Mayo."

#### **Hire good people**

"You can't execute any strategy without talented people," Scioscia said. "We spend a good part of our time looking for good people. We keep the bar very high."

Margolin, Winer & Evens attracts and keeps talented staff by offering employees value-added services like mentoring, continuing education, career advancement programs, flexible hours and home-buying assistance.

"As a result, we have many long-standing associates who are very productive," he said. "This allows us to maximize what we can do with the resources we have."

As Scioscia noted, "In the service business, good people are more attentive and provide better advice and service to clients. In a difficult environment, that's especially important."

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**Len Scioscia**

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