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*Hudson Valley*

**BUSINESS JOURNAL**

**Lawsuit stalls mushroom plant**

BY JOHN DUVOLI

**MAMAKATING** - A lawsuit filed by the Basha Kill Area Association against the Town Planning Board has in turn put a Zoning Board of Appeals (ZBA) vote on the construction of the controversial Yukiguni Mataike mushroom plant on hold. Few are talking on the record until the suit, which had not been scheduled at press time, is heard. Even Town Supervisor Charles Penna is mum.

Penna explained that the town's respective boards operate autonomously so as to retain their own spheres of influence and minimize politics. And the Town Board cannot vote until the ZBA, led by

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**Finding and retaining employees top concern for small businesses**

U.S. small businesses are expressing growing concern about increasing interest rates, finding quality employees and taxes, according to a new IPA SBRB study. These factors are tempering earlier optimism about the economy and revenue forecasts for 2005.

Concern about rising interest rates increased significantly from the previous IPA SBRB survey. The current survey was conducted before the Federal Reserve increased short-term interest rates on August 9 for the tenth time since June 2004.

Although a majority feels that the outlook for economy for the remainder of 2005 will be the same or better, the number of those expressing that the economy would be better decreased by

23 percent from the beginning of the year. At the same time, the number of those thinking the economy will be worse increased by 50 percent.

About one-third of small businesses expect a significant (10% or more) increase in revenue this year and 52 percent anticipate 2005 revenues to exceed last year's. Both of these figures are significantly below the IPA SBRB study in April.

Fewer small businesses say they will be growing the size of their staff, continuing a yearlong trend. In addition, small business owners now express growing concern about finding quality employees.

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**Then & now: This company is still pioneering the technology frontier**



BY KATHY KAHN

It's been 100 years since the red-brick building on Middletown's John Street was known as Orange Telephone, a place where switchboard operators connected calls and conversed with customers on a first-name basis. While the name on the door has changed a few times and fiber optics now connects callers across the globe, not just across the street, the company's mission is still the same: providing quality service to their customers.

Frontier Communications was at the forefront of the telecommunications industry when it merged with Citizens Communications in 2001. Their combined services now reach into 23 states with 63,000 employees nationwide. A new CEO came on board last September, and Maggie Wilderotter's leadership is making wonderful things happen for our company," says Karen Miller, communications manager.

"She's has a clear vision for the future of our company."

A new service, FrontierWorks Business Connections, is geared towards small office/home office and small business customers. Nicknamed SOHO (small home/small office), it

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**Looming power outage should concern region**

BY JOHN DUVOLI

**NEW YORK CITY** - Two years after a massive power failure brought much of the Northeast, including the Hudson Valley, to a grinding halt, there is a strong possibility that there could be another event at any moment, proclaimed Jerry Kremer, Chairman of the Affordable and Reliable Energy Association (AREA). While the recent press conference called by the Manhattan-based AREA spoke to downstate, particularly New York City, there were implications for the Hudson Valley as well.

Discussions included the Indian Point power plant, in the lower Hudson Valley, which supplies up to 30 percent of New York City's power. The good news was that the Nuclear Regulatory Commission does weekly and monthly security and operations checks, including Homeland Security, and gives Indian Point consistently good grades, this according to industry experts John Basie and Alex Marion. Most of the other news was not as good.

**Continued on page 14**

**Smart marketing is essential to business strategy**

BY BETH ZIMMERMAN

Consumers today face a dizzying array of choices for nearly every purchasing decision they make. Whether in the market for a car or a cup of coffee, they have an untold number of companies who want not just their purchase, but their loyalty. In return they promise a bevy of benefits—some of which matter little to the consumer—in the hopes of closing the sale once and for all future buying.

To cope with the increasing onslaught of attention marketers bestow upon them, con-

sumers have been turning away from traditional advertising—television, print and radio—like never before. This trend is in part due to consumer adoption of alternative purchasing venues, like the Internet, as well as the explosion of other affordable forms of entertainment, such as MP3 players and video games.

Marketers simply follow the money and try to be seen wherever the customer happens to shop or play. And marketing itself is changing; it is starting to be seen as integral to a company's business strategy and

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**SPECIAL PULL-OUT SECTION**  
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Beth Zimmerman

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## Smart marketing is essential to business strategy

Continued from page 1

viewed as a business investment, not a cost. Like other such investments, marketing must demonstrate return on investment (ROI) and justify what can amount to an expenditure of millions—or even billions—of dollars a year.

One of the most important developments is the renewed focus on market intelligence. Companies have conducted research for decades to help them sort out everything from what to name a new car model to how much to charge for a bar of soap; the primary goal was to secure the purchase. Today marketers need to know a range of metrics that are ultimately linked with ROI. The biggest strategic shift is redefining the way the customer and the company connect and interact. Executed properly, the result is a more

engaged customer (read: more likely to purchase) and more information about that customer that the marketer will use to solidify that purchasing relationship over time.

The jury is out as to whether any of the currently available business intelligence models have enough predictive value to effectively gauge ROI for certain kinds of marketing efforts. Campaigns that are designed to induce near-term behavior—a rebate or a limited time promotion for a hot item—are more easily tracked than ‘softer’ brand-building initiatives that try to induce the consumer to action. However, companies that find a way to extract as much relevant information as possible from every contact with a customer or prospect are able to fine-tune nearly all aspects of their delivery, includ-

ing product development, production, pricing, distribution and merchandising. Gathering information for insight is a delicate balance, however. Consumers are wary of giving out information that could lead to privacy abuses or, at a more benign level, revealing personal preferences that fail to result in a more satisfying customer experience.

Some companies are leading the way. Home Depot uses a sophisticated computer program to link marketing investments with regional and local product sales. General Motors devotes more of its dollars to marketing activities that allow it to cull customer data that, in turn, enables the auto giant to better target its sales efforts. And consumer goods giant Procter & Gamble—which spent a whopping \$4.4B on marketing during its last fiscal year—is involved in a new media tracking initiative that will electronically record the viewing and purchasing habits of 70,000 consumers.

Certainly not every company can afford the human, financial and technological resources to implement sophisticated ROI-tracking tools, such as those noted above. But every company should consider marketing as an essential component to fulfilling business strategy and financial objectives. After all, marketing is more than a slave to sales—as it tends to be viewed in some companies—and can add far more value if those leading the charge are integrated into the business planning process. Even for companies that are not ready, or able, to execute complex tracking programs, there are still ways to establish reasonable benchmarks for marketing ROI and tremendous long-term value in doing so.

Beth Zimmerman is founder and principal of Cerebellas® LLC, a market strategy company that connects companies with their customers. Cerebellas works with mid-sized and large B2B clients to align their marketing, sales and operations to create powerful customer experiences and longer term revenue opportunities.

# How Can We Plan Our Business Strategy When We're Surprised By Our Own Accountant?

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