

FORTIS NETWORKS SELECTED TO RECEIVE EXCELLENCE IN ECONOMIC DEVELOPMENT AWARD for business expansion that resulted in the creation of 30 jobs. The award will be presented at City Council "On the Road" Policy Session at 2:00 p.m. on April 10, 2007, Westside Senior Center, 4115 W. Thomas Road.
CONGRATULATIONS TO FORTIS and Mr. Clarence McAllister, President!

THE FOLLOWING ARTICLE ON FORTIS NETWORKS WAS IN CEDD'S SUMMER 2006 "MIND YOUR BUSINESS" NEWSLETTER:

MTA Follow-Up with Fortis Networks

Small Business Management Technical Assistance Program

The Management Technical Assistance (MTA) program is sponsored by the Federal Housing and Urban Development Department (HUD) through a community development block grant. The MTA program offers the owners of Phoenix-based small businesses the opportunity to work with experienced private-sector consultants at no cost to the business owner.

One such business owner who has taken advantage of the MTA program is Mr. Clarence McAllister of Fortis Networks. Mr. McAllister was featured in an earlier newsletter MTA success story and has continued to utilize the program's services as his business continues to grow.

"We recently bought a 7000 square foot building located in the city of Phoenix HUBZone, Phoenix Enterprise Zone, and New Markets Loan area," said Mr. McAllister. "We are currently remodeling it and should move in by the end of June 2006." Fortis's clients now include Cox Communications, Arizona Public Service, Salt River Project, Lucent Technologies, Ericsson, and MACTEC Engineering and Consulting.

Fortis Networks has also won a contract with the city of Phoenix to provide services during and after the construction of the Valley Metro Light Rail. The company will install a "wireless system" in street intersections in the Downtown area to monitor traffic and emergencies during construction. After construction, Fortis Networks will install fiber optic cable in the area.



In response to these opportunities, Fortis Networks proceeded to hire employees to meet the growing demand for its engineering, construction, and security system services. As sales continued to climb, Mr. McAllister requested follow-on assistance from the MTA program to help expand its organizational structure to manage their growth. A primary concern was the firm's ability to compete with large firms for qualified engineers and technicians. Another transitional need was to have Mr. McAllister, as owner, delegate more responsibilities to managers and

line supervisors.

Before a staffing plan could be developed, MTA accounting consultant Paul Gasser revised the firm's chart of accounts to segregate sales and direct costs for each unit. MTA consultant Diane Geshwind prepared breakeven analyses and industry comparisons for each unit. The analysis revealed that gross margins for all three units were well above industry standards. Asked why she recommends starting an organizational development project with a breakeven analysis, Ms. Geshwind said, "You never want to make a change, whether hiring more employees or upgrading the compensation system, until you know how you're going to pay for it."

Once Mr. McAllister knew what he could afford, Ms. Geshwind recommended new positions and pay ranges. She also recommended an array of benefit options for the company to consider. "Now that the company has a good cost accounting system, the owners can feel more confident in making decisions," Geshwind said, "and having an accurate accounting of direct and indirect labor costs is essential in construction, especially for government contractors like Fortis."

After completing the staffing and compensation plan, Ms. Geshwind worked with the owners to develop personnel policies for the company and assisted in presenting the new policies to company managers and supervisors. This included an overview of basic employment laws and interviewing procedures for new managers. By the close of the project, Fortis Networks had grown from 16 to 46 employees. Ms. Geshwind remarked, "Fortis is an excellent example of the emerging small business that the MTA program was designed to help."

"We have appreciated the City's assistance," said Mr. McAllister. "We even received help with conducting our site location research when we purchased our building. City staff readily responded to our requests for planning, zoning, and permitting information as well as information related to incentive zones. We could have taken our business location to the East Valley, but we would have lost some of the valuable support offered by programs like MTA. Our business plan includes a long-term perspective and we plan to use other City programs in the future, especially those that offer financial resources."

MTA consultants can guide you through the process of developing a strategic business plan, marketing plan, setting up an accounting system, planning employee benefits, preparing a bid proposal and other managerial tasks. However a business may need assistance, MTA can usually help.

For more information about the MTA program or other Small Business programs, please contact the Small Business Program Resource Line, 602-534 2489 (CITY) or www.phoenix.gov/ECONDEV.