

Chicago entrepreneurs investing cautiously in growth

By: Lisa Bertagnoli October 03, 2011

LEAP OF FAITH

Normally, a small-business owner's confidence about the economy has a big influence over decisions ranging from bringing on an extra worker to replenishing inventory. Now, however, many Chicago-area small-business owners seem to be moving ahead with hiring and investing despite their worries. They say they're not ignoring big-picture economic factors but focusing intently on their own particular corner of the business world.



OPTIMISTIC: Joshua Kahn, left, and David Kahn, executive vice-president and president of Perfection Spring & Stamping Corp., have spent \$1 million on machinery this year.

Photo by: Erik Unger

Joshua Kahn, executive vice-president, and David Kahn, president, of Perfection Spring & Stamping Corp., a Mount Prospect tooling and spring manufacturer, are bullish on their business. They expect revenue, around \$20 million annually, to increase 6% this year and 10% to 14% in 2012.

"I try not to read the news," says David Kahn, 51. "We don't want to discount any global, macro negative news, but we are quite optimistic about our growth and our industry in general." One reason: Competitors have either gone out of business or merged, freeing up clients for the Kahns to court. Courting they are, and busily. The brothers have invested heavily in the business this year, spending \$1 million on six new machines, including a 50-ton punch press, and are using YouTube to get the word out to clients. A redesigned website—they won't say how much it cost—is responsible for 18% to 20% of new business.

They spend \$10,000 to \$15,000 to attend trade shows to network with customers "and do some socializing that's very valuable," says Joshua Kahn, 45. They've pumped up the company travel budget by about \$50,000 a year to fund more visiting, more socializing.

David Kahn admits that it's difficult to predict whether these efforts will pay off in the long term. "We have a very long sales cycle," he says. "There is some faith that goes into this."

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