

MARKETPLACE



Nokia to Eliminate 7,000 From Payroll
MOBILE DEVICES B3



Hiring Accelerates As Confidence Stirs
SMALL BUSINESS B7



Detective Series Back on the Case
PUBLISHING B8

© Copyright 2011 Dow Jones & Company, All Rights Reserved

THE WALL STREET JOURNAL.

Thursday, April 28, 2011 B1

THE WALL STREET JOURNAL.

Thursday, April 28, 2011 B7

SMALL BUSINESS

Hiring Starts to Pick Up Pace

Finance, Tech, Service Firms Are Among the Companies Seeking More Workers

BY SARAH E. NEEDLEMAN

Hiring by the nation's small employers is accelerating, a sign that the stubbornly slow overall job recovery may be poised to gain momentum.

So far this year, small businesses have added roughly twice as many workers a month as they did in most of 2010, recent data show. Experts say small employers are cautiously ramping up as they gain confidence that business conditions and loan activity will hold steady or improve.

Financial, technology and other service providers have been doing the most hiring, mainly in areas such as sales and engineering, while employment in construction remains weak.

So far this year, companies with fewer than 500 employees have added an average of 188,000 jobs a month, according to payroll-company Automatic Data Processing Inc. Last year, they added an average of just 68,500 jobs a month.

Those numbers still aren't what economists consider healthy, but they're an improvement, and they're significant because companies with fewer than 500 workers employ about half of all private-sector employees in the U.S., according to the Small Business Administration. "Small and young firms are the engine for job growth that we need," says Stephen Bronars, a senior economist for Welch Consulting, a labor advisory firm in Washington, D.C.

Large companies, which typically lag behind, have also been hiring more. According to ADP—which derives its measure of employment from an anonymous subset of 500,000 U.S. business clients—businesses with 500 or more employees have added an average of 11,300 jobs a month so far this year, after shedding 3,400 a month in 2010.

A number of factors may be contributing to small businesses' rosier outlook, including improvements in consumer spending, stock-market valuations and



Jeff Platt of Sky Zone, a trampoline franchise company whose franchise deals rose sharply in the 1st quarter.

IPO activity, economists say.

A slight loosening of the credit markets may be another motivator. The Small Business Administration approved \$9.1 billion in small-business loans between Oct. 1 and Dec. 31—the most the agency has ever backed over a three-month period—due to loan enhancements provided by the Small Business Jobs Act.

In the first quarter, Sky Zone LLC, an indoor-trampoline franchise company, signed 25 franchise agreements, up from three a year earlier. The new franchises secured 15 loans for a total of about \$12 million and will each hire up to four full-time and 40 part-time employees.

"Being able to acquire financing is now a more real possibility than it was a year or two years ago," says Jeff Platt,

founder and chief executive of Sky Zone.

Akraya Inc., a technology staffing firm in Sunnyvale, Calif., since 2001, is also growing. "Things have changed significantly over the last five or six months," says Amar Panchal, co-founder and CEO. So far this year, Akrya has added eight new employees in areas such as recruiting, marketing, sales and operations, expanding the firm's total headcount to roughly 250. Mr. Panchal says he's now looking to hire 10 more employees. By contrast, Akrya hired just one person in 2010.

"We were not confident about the outlook for the next year or so," Mr. Panchal says. "Many clients had hiring freezes and budgets that were frozen."

To be sure, many small busi-

nesses remain reluctant to hire. About half of companies with fewer than 100 employees say they have no hiring plans over the next six months, according to an American Express survey conducted in February and March with 728 respondents. Of the 35% of respondents that do plan to hire, about a third say they will add only one or two.

Some surveys suggest some small-business owners still lack confidence. The National Federation of Independent Business's small-business optimism index fell 2.6 points to 91.9 in March.

"There's still a lot of uncertainty," says Raymond Keating, chief economist for the Small Business and Entrepreneurship Council, a nonprofit advocacy group in Oakton, Va. "But," he adds, "things are clearly better."

Enterprise Dispatch

Fast-Track Patents Get Put on Hold

A move to kick-start home-grown innovation by streamlining the patent process is being shelved "until further notice" over a lack of funding under the new cost-cutting federal budget, the U.S. Patent and Trademark Office said Wednesday.

The agency had sought to offer fast-track patents for a \$4,000 fee—on top of a base processing fee of \$1,090—in a bid to reduce a growing backlog of more than 700,000 applications. The processing times would have been cut to under a year, compared to three years under the current system. The move, slated to begin in May, would have created a three-track system to help alleviate a bottle-neck of filers, including expedited, standard and delayed processing options.

—Angus Loten

the period totaling \$669 million, 26% higher than last year's \$530.2 million on 83 deals. It was New York's strongest period since the first quarter of 2008.

The San Francisco Bay Area was home to 190 deals in the quarter, totaling \$2.24 billion, a 44% increase from a year ago with \$1.56 billion on 180 deals.

Overall, the U.S. venture industry had its most active first quarter since 2008, with investors deploying \$6.44 billion in 661 deals.

—Zoran Basicic

Women-Led Companies Turn In Improved Results

Women-led businesses are making financial strides, new research shows.

Revenue at companies run by women rose significantly in 2010, with much of the growth coming from the business-technology field, according to an annual ranking of the top 50 fastest-growing women-led companies by trade group Women Presidents' Organization.

On average, the private U.S. companies—all of which were either founded by women or have female CEOs—on the list posted annual revenue of \$82.7 million, up from \$45 million in 2009. Despite the growth, the data show that women-led business may still be having trouble accessing start-up capital. None on the list is venture-funded, and less than one-fifth used bank loans or lines of credit to finance operations.

Read more on the rankings at WSJ.com/SmallBusiness.

—Colleen DeBaise

Boston, New York See Venture-Capital Growth

While Silicon Valley is still the leader in venture-capital fundraising in the U.S., Boston and New York are holding their own.

The Boston metro area posted \$862.9 million on 71 deals in the first quarter, a 71% increase compared to \$505.6 million on 60 deals a year earlier, according to data from Dow Jones VentureSource. Boston's gains were strong across the board, but especially in the health-care and energy and utilities sectors.

The New York metro area, meanwhile, had 73 deals during

Getting Bigger

What will be the focus of your company's growth strategies in the next year?

Expanding target markets in the U.S.	56%
Up-selling or cross-selling into existing customer base(s)	46%
Expanding/diversifying product/service offerings	46%
Expanding target markets globally	34%
Pursuing/expanding third-party alliances within the U.S.	18%
Pursuing/expanding third-party alliances internationally	13%

Note: Survey of 527 senior decision-makers at companies with \$50 million-\$1 billion in annual revenue. Source: Deloitte