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SPECIAL REPORT SMALL BUSINESS

Designer fights slump with change of scenery

*Theater specialist
Sachs Morgan
learns to diversify,
hone office skills*

BY LAURA Q. HUGHES

Talk about timing. Just seven weeks before previews for *Hairspray* were to begin on Broadway, the Neil Simon Theatre launched a major renovation, adding 86 seats and expanding lounge space, among other improvements.

"Everybody said to me, 'It's never going to get done in time,'" recalls Jim Boese, director of operations for the Nederlander Organization, which owns the Neil Simon. But having worked on a dozen previous projects with the renovation's designer, Sachs Morgan Studio, he wasn't worried.

Sachs Morgan has built its reputation on conquering tight deadlines and difficult jobs.

"When things are disastrous, we love it," says Ann Sachs, chief executive of the Manhattan-based theater design specialist.

Now the company is facing a different kind of disaster: a lingering recession. Last year, after an excellent 2001, the firm's revenues dropped 31% to the mid-seven figures as some clients dragged out payments and some projects in the pipeline were put on hold.

Fortunately, after 27 years in business, Sachs Morgan has learned how to cope with lean times.

In the midst of a worse business downturn 10 years ago, the com-

pany's owners—Ms. Sachs and her husband, Roger Morgan—nearly closed up shop. They eventually turned the company around, emerging from the crisis debt-free by 1997 and recording 15% average annual growth from 1997 through 2001. Lessons learned during the last recession are helping them now.

For one thing, when the previous downturn came, Sachs Morgan did not have any systems in place to track the most basic business transactions.

"No one was watching the shop," Ms. Sachs says. "The business was an artistic act of love."

Mr. Morgan, who had won a Tony for lighting design, oversaw the firm's theater and lighting design projects. But he hated running the business side of things and left much of the responsibility to his accountant.

From footlights to foot soldier

With the firm on the ropes, Ms. Sachs gave up her career as a Broadway actress and began coming into the office a couple of days a week on an unpaid basis to try to sort things out. Although she had no business experience, as a half-owner of the company, she was determined to help. Her turnaround effort began with firing the accountant, learning to type and computerizing as much as possible of the company's billing and design work.

On the recommendation of peers she met through the Women Presidents' Organization, Ms. Sachs began pushing to make the

Sachs Morgan name better-known. She started appearing on industry panels, writing articles and entering design contests. In a major move, she also broadened the company's scope.

Today, diversification is one of the most powerful tools Sachs Morgan has to keep its business going. Though its expertise is in theater renovation and design, the firm seeks out more recession-proof projects far from Broadway, including work at university auditoriums, community centers and even commercial sites.

New range of projects

In the past year, Sachs Morgan has been overseeing the \$30 million renovation of the Palace Theatre in Waterbury, CT and working on the \$14 million renovation of the Opera House at the Kennedy Center for the Performing Arts in Washington, D.C.

At the same time, the firm designed everything from a multipurpose room at the Jewish Community Center on the Upper West Side to architectural lighting for the McDonald's on Times Square. It even converted a Virginia chicken coop into a personal recital hall for New York Philharmonic conductor Lorin Maazel.

With business weak, Ms. Sachs has had to move aggressively to cut costs. She had to lay off three of the company's 12 employees. She also got Sachs Morgan's landlord to take back a third of its space and



MICHAEL ROGOL

ALL THE WORLD'S THEIR STAGE: Roger Morgan and Ann Sachs have worked on the Palace Theatre and a Virginia chicken coop.

cut its rent proportionately. That was especially important, since Sachs Morgan had recently left its longtime home in the theater district for a space three times as large on West 30th Street.

Ms. Sachs is pushing hard for growth. She has made every employee responsible for drumming up leads for new projects.

One hot prospect is the Nederlander Organization. Pleased with its reborn Neil Simon Theatre, the company is talking with Sachs Morgan about getting construction permits for its next Broadway theater revamp. ■

Sachs Morgan Studio

Theatre Design Specialists

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