

November 6, 2009

Top 100 honor business acumen

Iannone says way out of slump is with small, medium firms

Jim Stinson
Staff writer

The way out of the recession and into a sustained recovery is through small- and medium-sized businesses, ones that didn't rely on a federal bailout.

That was the assessment given Thursday by John Iannone, founder and CEO of Auction Direct USA, the No. 1 company in the 2009 Rochester Top 100, as he spoke at the 23rd annual luncheon honoring the region's fastest-growing private businesses.

The event drew 1,800 people to the Riverside Convention Center.

Economists have said the vast majority of new jobs after the 1990-91 and 2001 recessions were created by small businesses, though there is concern that such businesses might lack the financial strength to repeat their past hiring successes.

Iannone acknowledged that during the depths of the recession, lending from banks tightened considerably. The Federal Reserve said this week that credit remains tight.

But the positive statements echoing through the convention center indicated that Top 100 businesses are upbeat about their prospects coming out of the economic downturn.

Executives of the No. 2 company, the telecommunications firm 5Linx Enterprises Inc., said their goal is to build revenue from an anticipated \$52 million this year to \$1 billion in five years. CEO Craig J. Jerabeck said the company is having a good year despite the recession. 5Linx recently bought a portion of a smaller telecom, Kancharla Corp. of Huntsville, N.C., for \$3 million.

And No. 3 Optimization Technology Inc. said it has positioned itself for further growth when its business clients begin to spend more freely.

Iannone's Auction Direct burst into the Top 100 this year, winning the No. 1 ranking in its first year in the program, which is sponsored by the Rochester Business Alliance and the accounting firm KPMG. He said before the luncheon that the 200-employee company took a different approach to used car sales and capitalized on the Internet to gain a national reach.

The Victor-based company has four locations: two in the Rochester area and in Jacksonville, Fla., and Raleigh, N.C.