

New beginnings, new business

A North Andover couple, laid off from high-tech jobs, are building their own dreams.

Author: Eagle-Tribune Staff Reporters Date: December 1, 2002

Page: D2 Section: Business

NORTH ANDOVER – It had been a tense summer for the Malaku family of North Andover.

Makonnen Malaku, an Ethiopian immigrant, had moved from southern New Jersey to North Andover a year before to take a research and development job with Comverse, a technology company. In July, he worked his final day.

Months before, his wife, Jordan, had been laid off from her job as a systems engineering manager for Avaya Communications.

Once his job ended, Makonnen said, “We decided to go on vacation.” As they pulled out of the driveway headed for New Jersey, Jordan Malaku pulled the mail from the mailbox. The family was on the New Jersey Turnpike before she began filing through the letters, magazines and catalogs.

That’s when she found a brochure for Northern Essex Community College’s Entrepreneurial Training Program, a 10-week workshop for people serious about starting their own businesses.

“I called from the car and signed us up for it,” she said. “It was a perfect fit for what we were thinking about.”

She had already begun writing a plan for a business in importing spice blends from Africa.

Her husband had his own ideas.

“I always wanted to have a business and I was looking in terms of my own expertise in wireless communications,” he said. But there also was a higher goal to make a difference in the community. I was always interested in what makes the most impact in people’s lives.”

Last week, the Malakus and six others completed the NECC program, each with a plan for how to make their business work.

Jordan Malaku is looking for funding, customers, distributors and packaging for the spice blends she’ll import from Africa. Makonnen Malaku is working with the U.S. government and the Ethiopian embassy to raise money to start a mechanized chicken farm in his home country.

The U.S. Africa Growth and Opportunity Act supports the Overseas Private Investment Corp. in opening up new markets in the sub-Saharan countries. Makonnen Malaku said that legislation can help him get the capital he needs to bring his plan to life. He will visit Ethiopia at the beginning of 2003 to buy 4 acres of land for the farm. He expects that by year’s end the farm will be producing 130,000 chickens per month.

“In February I’m going to see what the government can do in terms of land leases, locations. Then I’ll be defining my exact market,” he said. “I need to make sure that all the assumptions I made in terms of developing my business plan are on target.”

While he's in Africa, he also can cultivate relationships with spice providers for his wife's business.

The program that helped them get their plans on paper was developed in the late 1980's and is successfully running in Salem and Brockton.

It was offered for the first time at Northern Essex last fall, said Diane Zold-Isenberg, program development associate for Continuing Education Services. It combines intensive classroom work with one-to-one consulting sessions to help each entrepreneur during the start-up phase of the business. Ten weeks of classroom training are followed by ten weeks of independent study and one-on-one consulting.

The program combines concepts of sales and marketing with finance, and the staff members are experienced in operating businesses and solving business problems.

"The failure rate of most small businesses after a year is 60 percent," said Paul Jermain, program instructor. "This program reverses that. More than 60 percent of our students are still in business after a year."

Jordan Malaku said the program helped give her business plan more focus.

"Spice consumption in the United States has more than doubled in the last 10 years," she said. Today, Americans consume more than 2 billion pounds of spices each year and lots of spices that once seemed exotic are becoming more readily available.

She said she realized that there might be a market for new blends when she started trading Ethiopian and other African spice blends that she used in her own cooking with friends and neighbors. Jordan said that she'll be marketing the blends to culinary schools, gourmet shops and wellness centers within a 40-mile radius of home in the beginning. An estimated \$15,000 will get her set up with inventory and supplies.

Besides the financial challenges Makonnen Malaku faces – he estimates his start-up costs will be about \$500,000 – he faces a lot of red tape in two capitals, two countries and on two continents.

Thanks to the course, Jordan Malaku said, the couple are pursuing their small-business dreams with a realistic view.

"It's not a rosy picture," she said. "There are hard days ahead."

However, the support system they built up among classmates and consultants who were part of the Northern Essex program is helping them stay focused and opened their eyes to resources they would not have known were available otherwise.