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One-Stop Shop for New Businesses

New City Team Helps Entrepreneurs Over Administrative Hurdles; 'Big Hoops to Jump Through'

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A co-owner of the Black Horse Pub in Brooklyn's South Slope estimates that delays cost him more than \$30,000 in rent, lost revenue and other expenses last year as he navigated a maze of city agencies to secure the permits and inspections needed to open his new pub.

"It was a nightmare," said Brian McNally, 41 years old. "There was no incentive for these agencies to get me open."

Officials from one agency wouldn't talk to those in another, he said. Inspectors failed to provide a comprehensive list of violations. Re-inspections took weeks to schedule.

"The first plumbing inspection we had, the guy said, 'This is wrong, this is wrong, this is wrong,' " Mr. McNally recalled. "So, we fixed it. Waited four weeks. Another inspector came and said, 'OK, that's right, that's right, now this new thing is wrong.' "



A new sign goes up at the Black Horse Pub, which opened with the help of a city team meant to speed the process for small businesses. Clemence de Limburg for The Wall Street Journal

For years, Mayor Michael Bloomberg has bemoaned the levels of bureaucracy that entrepreneurs in the city must endure. This year, at the urging of City Council Speaker Christine Quinn, his administration created a New Business Acceleration Team to streamline the process.

"When we want to crack down on businesses, miraculously we can get all the inspectors there on one day to whack them with fine after ticket after fine," Ms. Quinn said. "If we can do that to collect money and give tickets, we should find a way to be able to do that kind of thing to get you open."

City Hall's pilot program focuses on the roughly 3,200 small restaurants, with 50 or fewer seats, that open each year in the five boroughs. The idea is simple: a one-stop shop for new-business owners.

Small-restaurant owners now can come to a single location, where a member of the team can quickly assess what needs to be done, coordinate among the various agencies, ensure speedy inspections and monitor the business' progress.

"This is really about customer service," said John Feinblatt, the mayor's chief policy adviser. "From the point of view of the customer, they shouldn't have to be negotiating with four different agencies. They should be able to look at it as one city."

Another idea is to cross-train inspectors as a means to increase efficiency. For example, Department of Environmental Protection inspectors traditionally conducted grease-trap inspections, and now Department of Health and Mental Hygiene inspectors are learning how to handle them.

Mr. Bloomberg, an entrepreneur who built a multibillion-dollar global enterprise from scratch, said in a recent interview that changing the mentality of government toward customer service is a top priority of his third term at City Hall.

"We will make the process of opening small businesses in this city much less onerous, much more rapid," he said.

Carl Hum, president and CEO of the Brooklyn Chamber of Commerce, said the complex tangle of city agencies has long been a headache for new-business owners, especially those who run small businesses and lack the sophistication and the financial wherewithal to cut easily across the bureaucracy. Mr. Hum said businesses can easily lose three to six months in rent in the process.

"Especially at this time of an economic downturn, we...are dependent upon entrepreneurs to open businesses," Mr. Hum said. "But when you have these kinds of obstacles and these big hoops to jump through, the small-business owner throws up his or her hands and says, 'Forget about this!'"

Since the end of February, the New Business Acceleration Team has helped about 140 restaurants move toward opening.

At Shanghai Asian Manor, a new restaurant on Mott Street in Chinatown, the team conducted a coordinated kitchen-ready inspection with the Department of Buildings, the Department of Health and Mental Hygiene and the Department of Environmental Protection on the same day.

"Everyone came out at the same time—that really helped us a lot," said Maggie Kwok, 40, a co-owner. "Everyone said it would take us six months to open, but because of the program we opened up in one and a half months. People say we're lucky."

Paul Yang, 40, owner of M Tasty, a Japanese noodle and sushi eatery, also in Lower Manhattan, gave the new team high marks. "It was fast," he said.

"What's so different here," Mr. Feinblatt said, "is this entire shift in thinking." He said the city's metric for success is no longer whether an individual inspection is completed, but rather whether a business is open. Over the course of the year, the city plans to expand to include different types of businesses, starting with supermarkets.

For Mr. McNally, the Brooklyn pub owner, the frustration finally ceased when he called the mayor's office in a fit of despair. "I couldn't think of anything else to do," he said. "They speeded up my process by three month," he said. "Honestly, they were fantastic."

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