

TWO YEARS AFTER KATRINA



By **BARRI BRONSTON**
New Orleans, La.

The New Orleans office of CompuVend is bustling with activity, with one group of employees taking sales calls, while another works on software design. Company president Mark Kronenberg is on the phone with a customer walking him through a technical matter on one of CompuVend's vending management software products.

Outside, the sky is gloomy, and rain is in the forecast. It is September 4, 2007, a few days past the second anniversary of Hurricane Katrina, the monster storm that virtually wiped out the city and left Mark and his father Alan Kronenberg, CompuVend's chief executive officer, wondering if the business they built from the ground up would be able to survive the catastrophe.

It did, but not without their share of long days and sleepless nights. The company depends on the vending machine industry for its own survival, and while it has hundreds of customers around the world, what Katrina and Rita did to the industry, at least across the Gulf Coast, gave them serious cause for concern. It still does.

"As best as we know, there are six companies that have gone out of business from Texas to Alabama as a result of Katrina and Rita," Alan

says. "The ones that are struggling don't have the money to invest in new vending machines. Having to come up with a down payment, while still paying off the notes on machines that got destroyed, is very difficult."

"Their inventories were all wiped out, as well as products that were on the trucks. That all had to be thrown away. Some people lost entire buildings. Their growth is being retarded, and it's gotten to the point that only people with reserves are able to weather the storm."

The Kronenbergs credit their staff of software engineers, support personnel, and sales representatives with helping their own company weather the storm and its aftermath.

Lisa Hubbard, affectionally known as "Queen Compuvend," was in contact with customers from her Atlanta home.

"A lot of companies might have just thrown in the towel," Mark states. "But our employees were and have been dedicated and caring. It was difficult for us for a while, especially with our own employees trying to deal with their own personal losses. Three-quarters of our employees had some damage to their homes."

The Kronenbergs say they will never forget those initial days after the storm. After evacuating to Houston with only a couple of days worth of clothing, they glued themselves to the news and its images of chaos, death and destruction. From what they saw, they had no doubt that their homes and probably their headquarters had flooded.

But rather than dwell on some-

thing they could do nothing about, the Kronenbergs set out to save CompuVend, based in a suburb of New Orleans that also sustained massive flooding. Knowing they wouldn't be able to get back to New Orleans for some time, they settled on Baton Rouge as their temporary headquarters, leased and furnished office space and wasted no time bringing their business back.

"We didn't know for a while where all our employees were," Mark says. "People were everywhere."

With phone service erratic at best, the Kronenbergs solicited help from their regional offices. Within a few days, they had gotten in touch with all 18 of their employees, many of whom relocated to Baton Rouge and moved into a company-leased condo. Others commuted 90 minutes to work, while those who couldn't get to Baton Rouge worked from remote locations across the country.

"We had employees spread out over six states," Alan says. "It was not fun."

"But we didn't just fold our arms and say, 'Oh well the sky fell,'" Mark points out. "We got in touch with every customer. Our support staff, over the next couple of weeks, was taking support calls from hotel rooms wherever they were."

"It was tough, but we realized how important our business and our customers are, and that we would do whatever we could, under adverse circumstances, to take care of them."

Like CompuVend, Vending/OCS operators also found themselves searching for temporary headquarters as well as some of their vending

In the picture at top, fallen telephone poles with loose electric wires litter the street adjacent to the wrecked offices occupied by Compuvend.

equipment. Crown Vending of New Orleans survived the storm but not without worry. In the days just after Katrina, many of its machines were vandalized, either by looters or people scrounging for food and drink.

Crown spokesman Barry Marcades notes the company applied for a loan from the Small Business Administration, but the federal agency denied its request. Like many vending companies, Crown did not carry insurance, making recovery that more challenging.

Two years later, he indicates, the future is once again looking bright. "It was a crawl at first, and we had to bite the bullet in terms of making repairs. But we've come a long way. Business has been good."

So concerned was Standard Coffee Service about the fate of New Orleans that it created a relief fund called "Beans for New Orleans" to help businesses and employees get back on their feet.

Anthony Gregorio, Standard Coffee's president and chief executive officer, ran the campaign through March 2006, donating a portion of proceeds from the sales of selected coffees to non-profit agencies. Those agencies then used the money to assist small businesses that were severely impacted by Katrina.

"I wish we could have given more," Mr. Gregorio says. "But I'm glad we did what we did."

Mr. Gregorio says he can only imagine the "shellacking" that the vending industry took. With his customer base largely outside of the New Orleans area, Standard's future

was never threatened. That's not to say he didn't lose business in the Gulf Coast region.

"Our routes in New Orleans and all along the Gulf Coast were significantly impacted," he recalls. "But we have subsequently replaced all that business because of all the new businesses that have opened."

CompuVend remained in Baton Rouge until April, 2006, when its new office space was completed and it was able to move back to New Orleans.

Founded in 1982, CompuVend provides management and control software to the vending, office coffee service, and food service industries. Its products are designed to control cash, receivables and inventory while providing information on profitability, sales history, merchandising, taxes and commissions.

The company offers technical support on each of its products, and with more than 600 customers worldwide, the Kronenbergs were determined to put their customers needs first.

"The storms and their aftermath made this a challenge," Mark says. "I recognize that our service and response times were not at the same level we had always taken pride in providing. In the immediate aftermath, our staff looked for ways to improve communication internally and externally. We implemented Web-based training and support, and the staff began using instant messaging. Once we moved back to our new home office, we found that these tools offered new opportunities to improve our customer service. We're doing

some programs to be pro-actively working with our customers and improve our customer satisfaction."

James Fabacher, newly promoted executive vice-president, agrees. "In the past two years we have expanded our support staff in both numbers and skills. Everyday we're improving," he says. "We have put together a team of professionals that has brought new ideas and new energy to our company. We were in effect re-born after the storm."

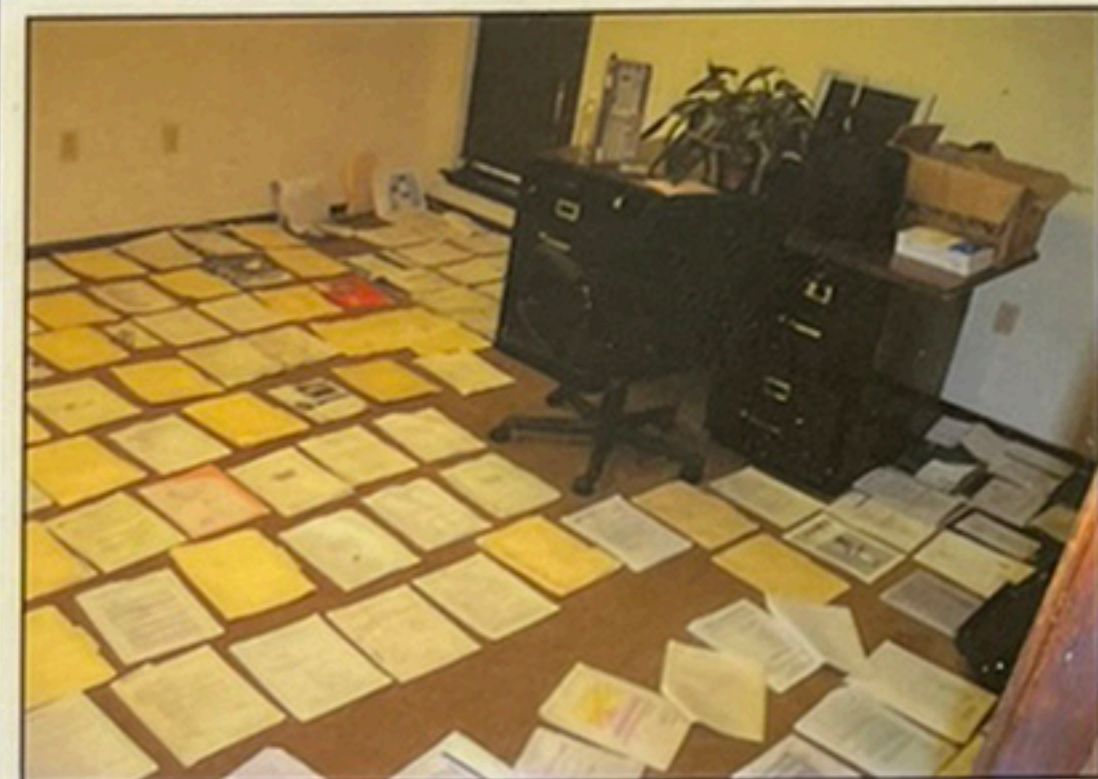
When the Kronenbergs aren't busy at work, they try to take time to enjoy New Orleans, and they like what they see—a city that is as vibrant and as lively as before Katrina. They are not sure that message has gotten out, and they want those in the vending industry to know that the Crescent City continues to be a happening place.

"We want the world to know that New Orleans is still a great place to visit," Mark declares.

That's not to say that the city is entirely back to normal. The rebuilding process in Lakeview, the Ninth Ward, Gentilly and New Orleans East continues to drag, but those sections comprise only a small part of greater New Orleans. The tourist attractions, however, are almost all open. They include restaurants, museums, galleries, shops, music clubs and bars.

"The tourism business was damaged by Katrina, but it came back shortly after the storms," Mark says.

The Kronenbergs can say the same thing about CompuVend, and they do so proudly! □



A make-shift office in Baton Rouge served many purposes when the company moved its business into temporary head-



quarters—from drying out wet papers to housing the customer service department.