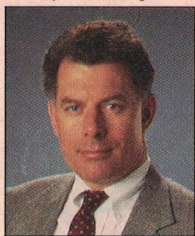


UPSTART

Tyler Phillips



SYSTEMATIC INNOVATION

Who says entrepreneurs can't be disciplined managers?

Tyler Phillips got the idea for his start-up by applying the tenets he learned from Ruben Ghutov, General Electric Co.'s ex-senior vice president of corporate strategic planning, who argued that a successful company must originate from a practical idea, provide useful goods, and jibe with the changing market.

Phillips settled on the burgeoning market of dual-income parents, and decided the best way to serve it was at the workplace. "When both parents work, they drag their problems at home with them to the office," he reasons. That affects the quality of their work.

So Phillips decided to become a middleman between corporations and their employees' children. His Philadelphia company, The Partnership Group Inc., helps them locate such amenities as baby-sitters, Government reimbursement for day-care expenses, or programs to take care of their aging parents.

The perk isn't cheap. Accounts, including Time Inc. and Bell Atlantic Co., pay between \$2,000 to \$600,000 a year for the service. But Tyler contends that "employers recover three-to-four times that sum in increased productivity." The Partnership Group serves more than 300,000 families and pulls in \$2 million a year.



Food

Food, like fashion,

is subject to the whim of consumers. America will continue to eat through the next century all right, but it will be increasingly selective about what and where it dines. The fitness craze isn't likely to abate much; nor is the demand for convenience. Lay your bets on:

- Small gourmet businesses that cater to the affluent.
- Healthy products to cram into those 91 million households with microwave ovens.

EXPLOITING THE OBVIOUS

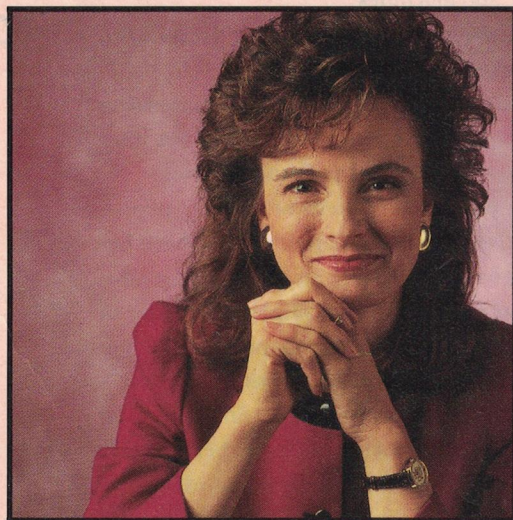
Mary Anne Jackson turned a personal problem into an entrepreneurial opportunity.

"The idea was staring me in the face," recalls Jackson, then a Beatrice Foods executive. Her job often kept her late, making it impossible to cook a wholesome dinner for her daughter when she got home. Other working mothers, Jackson reasoned, probably had a similar problem. So, with a partner, Jackson launched My Own Meals Inc., Deerfield, Ill., which makes all-natural microwave dinners, designed for children aged two to eight. Revenues should reach \$2 million this year.

TREND SPOTTER

Gourmet convenience? Richard LaMotta saw rich possibilities in the oxymoron.

LaMotta, who founded Chipwich Inc., kept running into double-income families suffering from "a poverty of time." To serve that hungry crowd, LaMotta formed Sundborn Inc. His New York company prepares a variety of gourmet dishes — pastas, poultry, and chocolate mousse from the "21" Club are the most popular — packs them in dry ice, and delivers them overnight. The food arrives ready for the stove or microwave. Minimum order: \$50. "Home-delivery services



Jackson had no time to cook her daughter healthy meals, so she started a business to make them.

and catalog shopping are on the uprise," notes LaMotta. "But I wanted to be the first to create a line of food for that market."

FISHING FOR NEW ORDERS

Gary Ervin believed he could sell America on the health benefits of fish. But when he started Seafoods From Alaska Inc., in Sterling, he couldn't afford a lot of advertising. So Ervin worked out a deal to install computerized kiosks in department stores and supermarkets in the Midwest and on the East Coast. Customers punch in an order and their credit-card number. Two days later, a box of Kotzebue chum salmon arrives. Last year, Ervin hauled in \$6.1 million.

Child Care

Driven by the stampede of dual-income families in the United States — 75 percent of all married couples will be working by the year 2000 — the child-care business has become an \$11 billion industry. Entrepreneurs will get a lift from the new Administration, which has pledged to support child care through tax credits. Where are the opportunities?

- Day-care centers, where five giants control only 15 percent of the market.
- Consultancies to corporations setting up child-care facilities for employees.
- Services that specialize in books, clothes, food, leisure, and financial services for kids.

CHILD CARE COMES OF AGE

Suzanne Schmidt studied the child-care industry, and decided that her niche lay in solving its major problems — reliability, and profit margins thinner than Zwiebacks.

When she launched Monday Morning Inc., in Bridgewater, N.J., Schmidt set out to "add professionalism to what used to be a cottage industry." Her angle: offering upper-middle-class career women a chance to place their children in the homes of experienced day-care providers — and charging an average \$150 a week per kid. Monday Morning, whose revenues last year were \$1 million, limits group sizes to five children, and tries to find the most convenient location and peer group for each child. And Schmidt is picky about her employees, accepting only 5 percent of all applicants, many of whom are mothers, nurses, teachers, and nutritionists.

Schmidt is also caring for the future of her business: As a member of New Jersey's Child Care Advisory Council, she helps shape legislation.

To write this special report, contributing Editor Mark B. Roman spent four months interviewing more than 100 entrepreneurs, venture capitalists, futurists, and industry watchers. It was researched by Angela Haines.

BRIAN MCNEIL

PHOTOGRAPH BY GWENDOLEN CATES