

S·M·A·L·L BUSINESS



Penn Parking keeps its motor running

By Alex Montague

Lisa Renshaw began her business career with the characteristically un-American goal of not chalking up any debt. Several years later, she is the sole owner of Penn Parking, which operates a parking garage and an open-air lot near Pennsylvania Station on North Charles Street. She has built annual revenue for the business to about \$500,000, and she is about to be recognized for her efforts with a national young entrepreneur award from the Small Business Administration.

Charles Gaston, district director of the SBA's Baltimore office, said Renshaw was selected out of a field of 75 district offices in the United States. She was scheduled to attend a breakfast in Washington, D.C., last Friday to accept the award. "When she gets to Washington, she may even have the opportunity to meet the president," said Gaston in an earlier interview.



Owner Renshaw

But Renshaw views the award as a fluke, and her only goal is to try to capitalize on the sudden wave of publicity to secure a third contract to operate another garage.

The parking garage business hinges on operating contracts with property owners, and those contracts occasionally come up for bid. Renshaw boasts that she can do at least as good a job as any of the larger operators in the city, but she acknowledges that she needs to secure new contracts to keep her business afloat. "It depends on expansion. I have to keep going. It's not like I can sit back," she said.

"What I think I'm capable of doing is taking on another garage every eight or nine months. I want to build to the point where I have several managers, each managing several garages. I don't want to build to the point where I don't have a direct influence on each of the employees," Renshaw said.

At least so far, that personal attention is what won her a measure of success and the attention of the SBA. Renshaw met the previous operator of the 140-space garage at 1700 N. Charles St. through her church. She volunteered to work for him for three months without pay, during which time she assumed she could turn the business around. In return, she would get equity in the business.

Instead, Renshaw invested \$3,000 of her own money in the garage only to lose it when the previous operator folded up the business and left. The ebullient Renshaw bounced back by forming a new company called Penn Parking. The \$3,000 was forfeit, but the new company was not subject to any other debts incurred by the previous operator. She also convinced the property owner to cut her a very good deal on the first year's rent on the garage and to allow her to operate it.

Renshaw set to work attracting

commuters from Penn Station to her garage (hence the name Penn Parking), and she fired all but one employee at the garage. For the next two years, she worked from 5:30 a.m. to 12:30 p.m. and slept on a piece of carpet on the garage floor. "I worked all that time without making any money," she said.

At the end of 1983, her first year of operation, revenue for the garage was \$12,000. The next year, it was \$30,000, and in 1985 it posted revenue of \$80,000. But parking garages are not a high profit margin business; Renshaw figures about a 9-percent margin. At the end of the first two and one-half years, she said she drew a salary of \$6,000. With 1987 revenue projected for \$500,000, she said she now makes a decent living but declined to say what her current salary is.

Why parking? "I didn't want to get into parking," she said. "What I did try to do when I was young was to be flexible enough that, if I saw an opportunity, I could do it. My first idea was not to get into debt. I knew I didn't have the brilliance to be a nuclear physicist, but I knew I wanted to do something different," said Renshaw.

Penn Parking was successful enough that Renshaw managed to secure a contract with Amtrak to operate its open-air lot—the same lot from which she stole her initial clientele for the nearby garage. The lot has about 220 spaces.

The Amtrak contract was awarded through a competitive bidding process in which Penn Parking entered the second highest bid. But Renshaw said the top bidder overbid and was forced to pull out. She got the contract. Penn Parking took over the operations last June. Renshaw declined to say when the contract is up for bid again for fear of competitive bids from other operators.

Renshaw claims that Penn Parking can offer higher bids to the property owners because it is a small company without large amounts of overhead. But the size of her company also has its drawbacks. She acquired the contract to operate a 40-space lot on the 500 block of North Charles Street last October, and was forced to withdraw six months later because her firm did not have the economies of scale to make the same profit from a small lot as a larger garage. "Penn Parking wasn't equipped then and it's not equipped now to handle the small lots, but it's more than equipped to handle the larger lots," she said.

Penn Parking may move back into the small lot business after it has secured several new garage contracts. However, those garage contracts have proven elusive, and Renshaw acknowledged that "it's hard to break into the parking business in Baltimore."

Be that as it may, Renshaw has progressed far enough to say, "Now I don't worry about going into debt. I think I could handle a little consumer debt." ●