



THOUGHT LEADERS

with KATHRYN FRIEDMAN, THOMAS KUCHARSKI,
LOU PANZICA and ROBERT STEVENSON

Sponsored by Hodgson Russ LLP
ATTORNEYS

BY PATRICK CONNELLY
pconnelly@bizjournals.com

From early March to now, executives in the region with interests in cross-border and international business have a common task on their plates: crisis management.

CEOs Robert Stevenson of Eastman Machine Co., Thomas Kucharski of Invest Buffalo Niagara and Lou Panzica of Power Drives Inc. joined Hodgson Russ attorneys Christine Bonaguide and Timothy Ho to share their experiences and more on June 18 during this month's Thought Leaders discussion.

"We had to first and foremost ensure the safety of our employees and convince them that it was still a good idea to come to work every day," Panzica said. "We had to put safeguards in place early on without much guidance. Maintaining that and updating that as guidance came out was another challenge."

Also part of the virtual discussion was Kathryn Friedman, research associate professor of law and planning at the University at Buffalo and a global fellow of the Woodrow Wilson International Center for Scholars.

"From my perspective as someone who works on broader policy issues related to the Canada-U.S. relationship, early on I think there was great concern about supply-chain disruption," Friedman said. "Because of the uncertainty, people weren't sure how the shutdown of the border would affect supply chains."

Bonaguide said the first month of the pandemic indeed was an uncertain time for the trade sector.

"I think most people were surprised by the almost complete shutdown of basically daily and economic life," she said. "Even though we had seen it in other countries, I don't think that we were expecting that. People were trying to navigate not only the health pandemic but the shutdown of operations and what's going to happen with the workforce."

Friedman said the businesses she has heard from said the early-on interruptions have since waned.

"The issues have really turned to the impact on the local economy," she said, noting that she anticipates the tourism industry in the business corridor that connects Buffalo and Toronto could be impacted the most.



GETTY IMAGES

OPTIMISM RULES

*In world of trade,
cross-border business
gathers momentum*

▶ HODGSON'S TAKE

Telemedicine has significantly expanded in this time and is a great example of how an industry can reimagine itself. The same for cross-border business. Though we can't have those face-to-face meetings, we can still reach out and get input on how we can reimagine the future of business and industry.

CHRISTINE BONAGUIDE,
partner, Hodgson Russ LLP



Four trade CEOs discussed the current climate for shipping goods and maintaining the supply chain. They are Thomas Kucharski, top, Invest Buffalo Niagara; Kathryn Friedman, University at Buffalo Regional Institute; Robert Stevenson, above, Eastman Machine Co.; and Lou Panzica, right, Power Drives Inc.

ALL PHOTOS
COURTESY OF EACH PERSON



"Our clients are always looking to the United States for growth. North-south trade is essential to them. We are a trading country."

TIMOTHY HO,
partner in Toronto, Hodgson Russ LLP



"Lately, with increased labor costs in China and the ability to automate more in this country, we are looking at bringing back more of our outside sourcing. We don't outsource everything, it's about 20 percent."

ROBERT STEVENSON,
Eastman Machine Co.

Border infrastructure must be part of the future, she said. Health screening is also part of that planning and Canada and the United States need to be better prepared at international borders.

Ho, who was raised in Canada, focuses his practice on cross-border securities and financial transactions and is based in Hodgson's Toronto office. He said government officials there were more transparent about notifying businesses that operations could see a downswing.

"The U.S. is crucial to the Canadian market, both for companies looking to grow and expand into the U.S. market and in terms of essential supplies," he said.

Despite the pandemic, Ho said Canadian businesses will still look to the U.S. because it's a natural trade partner.

"We do have clients who see the downturn as an opportunity," he said. Some companies, he said, view it similarly to the 2008 recession as a way to move business forward.

Some Invest Buffalo Niagara cross-border projects that Kucharski thought were gone have resumed, and that's an encouraging sign.

"Surprisingly, I think we're going to come out of it in a very different but strong manner," he said.

Corporate philosophies, he said, are shifting to examine how to reduce risk, which makes the region attractive for businesses.

Stevenson said for years he has examined how to capitalize on the region's strengths so it could someday realize the market's potential.

"Syracuse to Toronto is one of the largest markets in the country, and Buffalo is right in the epicenter of that," he said. "I really think there is a tremendous opportunity to develop that. In relocating here, you're opening yourself up to 40 million people, and that number is going to continue to grow."

Since the late 1800s, Eastman Machine has had relationships with trade partners in Canada.

The company was deemed essential through the pandemic, as was Power Drives. Eastman initially furloughed a portion of its manufacturing staff but has since brought all employees back.

"We see business recovering," Stevenson said. "It's not back to normal levels, but it was significantly better in June than it was in May. We see an upward trend in business."

"Companies now realize they have a lot of assets in places that are now high-risk. So Buffalo Niagara is going to get another look."

THOMAS KUCHARSKI,
Invest Buffalo Niagara

There were some hiccups in global trade, but he said that Eastman found ways to solve customer issues.

Keeping customers top of mind has been a steady focal point in manufacturing, Panzica said.

"Their supply base is extremely important to them," he said. "We have longstanding relationships with many of them, and they are concerned that we are going to be there for them, and we need to assure them of that."

▶ CLOSER LOOK AT THOUGHT LEADERS

Thought Leaders is an ongoing series of discussions with Western New York business leaders and attorneys at Hodgson Russ LLP.

Ten times a year, leaders in diverse industries meet for a roundtable discussion moderated by Business First journalists.

The conversations are usually held in the law firm's Pearl Street offices in Buffalo, but have shifted to a virtual format during the Covid-19 crisis.