

(note to readers: Mark Fasciano is an Alpha Delt brother class of 1990.)

January 13, 2002, Sunday

LONG ISLAND WEEKLY DESK

L.I. @ WORK; As FatWire Goes, So Goes the Island's Economy

By WARREN STRUGATCH (NYT)

MARK FASCIANO and Ari Kahn started FatWire in the summer of 1996, financing their venture with credit cards and using a spare bedroom in Mr. Fasciano's parents' house in Oyster Bay as their office. Newly minted graduates of the University of Chicago's computer science doctoral program, the two 20-something entrepreneurs set to work perfecting a software program that allows thousands of people at different computers to work simultaneously on the same project.

Within two years, I.B.M. and Wells Fargo had signed on as customers, and other large corporations were showing interest. Mr. Fasciano hired more programmers, sales representatives and marketers, moving his staff of 30 into leased office space in Port Washington. In 2000, tapping a \$9 million infusion of venture capital, Mr. Fasciano tripled his work force and relocated again, this time to still larger office space in Mineola.

Deloitte & Touche has recognized FatWire as one of Long Island's fast-growing high-tech companies, and Ernst & Young named Mr. Fasciano as Long Island Entrepreneur of the Year in 2000.

FatWire, which employs about 100 people, is part of a new breed of high-tech companies that the Long Island Association says have added more than 23,100 jobs to the region and helped diversify an economy once overly dependent on defense contractors and aerospace companies.

The success of companies like FatWire was envisioned in the mid-90's by Project Long Island, a \$1.5 million job-creation campaign initiated by the association, the region's largest business organization. Begun in 1996 with much fanfare, the campaign wheezed to a close last month, largely unnoticed but nonetheless praised by the association's president, Matthew T. Crosson.

"Project Long Island was a remarkable success," Mr. Crosson said. "It focused the region on its high-growth technology industries, rejuvenated the business community's confidence in Long Island's ability to not only survive defense downsizing but prosper, and led directly to significant job and payroll increases."

Assigning a grade to Project Long Island is difficult, in part because the association changed its target goals in midflight. The association originally set as its target "the indirect creation of about 28,000 jobs in five industries," Mr. Crosson said. The industries were biotechnology, computers, electronics, health-care information systems, and graphics. In September 1996, the association revised its goal downward, to 22,400 jobs,

and eliminated one target industry -- health-care information systems -- when several major companies in that industry changed direction.

Of course, the gains from an effort like Project Long Island are ephemeral at best; many of the new jobs have already been lost to layoffs. And who can say with certainty whether it was the project's efforts, or simply a vibrant economy, that resulted in the hiring?

In several ways, FatWire exemplifies both sides of the coin. Like many high-tech companies, FatWire's growth has flagged. With the computer industry enmeshed in a prolonged global slump, last year Mr. Fasciano laid off 15 people, a task he described as the hardest thing he has ever done as an executive. But he added that the cuts have kept the company on track, and it is now developing its next generation of software.