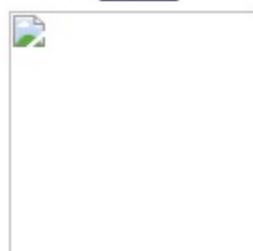


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A Fuller, Sober, Wiser Dot-Com Pink Slip Party

By [Guest Author](#)

Special to atNewYork.com by Paul Zakrzewski

If you wanted to gauge the current mood of Silicon Alley, you could do worse than ask some of the 200 veterans of dot-com downsizing who jammed into a trendy Chelsea bar last week for a monthly "Pink Slip Party." In what has become a rite of passage for many Alley workers this year, party-goers toasted fallen companies and swapped war stories, oblivious to the pounding dance music in the background, but still keen to the Internet. But mixed in with the edgy tone that often helped celebrate all things dot-com: two parts old economy wisdom.

Held the last Wednesday of each month, the Pink Slip parties are the brainchild of Allison Hemming, president of [The Hired Guns](#), an interim consulting firm. Hemming, herself an early victim of downsizing, said she got the idea for the party after hearing about the high profile death of APBNews.com, which was recently sold off in an auction following a chapter 11 bankruptcy filing. Hemming said she wanted to restore the feeling of community that she felt was lost in the greed of the past two years.

"I wanted to create an atmosphere that drew many people to the web back in 1996, before your name tag mattered, before your business card mattered," said Hemming. The result was a weekly summer party (now monthly), where dot-com veterans could not only "dot-commiserate" but could also find job leads.

Andrea Prezotti, a writer and producer who was being taped by a German documentary film crew as she spoke, said that while the Internet may be here for good, many of its pioneers aren't so fixed. "A lot of cutting edge companies who thought they could just survive by being cutting edge haven't made it," said Prezotti, who was laid off from NBCi in August. "You also need structure and a more traditional management style."

Certainly the past two months have borne out such sentiments, with early Alley players such as [Kozmo](#), [theGlobe](#), [MTVi](#), and honorary party guests [Pseudo](#), and [Priceline Webhouse](#), closing or laying off hundreds of employees. But many Alley veterans interviewed for this article say that while the market correction has left them feeling wary about the tech sector, the downsizing is really just part of the business cycle, and the Internet economy is not exempt.

Russell Langsam, for one, took a different view along with his philosophical approach to the present market conditions. "The downturn is a cyclical thing," said Langsam, who was pink-slipped after seven months with an "exotic travel industry" site. "The Internet is such a new economy (vehicle) that its cycles aren't really well established yet."

Unlike many of the under-25 crowd in the room, Langsam said he remembers just how difficult it was to find a job when he first entered the workforce back in 1991, especially in areas where a recession was just starting to hit.

Donna Farrug agreed, but also felt the recent Internet mania had eroded loyalty between companies and employees. "It used to be that you worked at least for a couple of years with one place. Now you stay for a year, get your options, then leave for another place," said Farrug, who was pink-slipped shortly after April's market correction, when her former employer couldn't find funding.

Like many others at her party, Hemming doesn't think the downsizing trend is likely to get better anytime soon -- quite the opposite in fact. But she says that in some many ways the market correct has had a positive impact on the Alley.

It helped to get rid of people who were "just in it to make a quick buck," she said.

The downturn has also ushered in a state of wariness where naiveti once held court among many in the dot-com realm, others noted. But like many venture capitalists who have to compete with zany valuations, the crowd welcomed the sobering talk of solid business plans, acceptable cash flow rates and depth of experience on management teams.

But Hemming thinks another trend is the supply of so-called Internet consultants that are coming into the marketplace, as head counts at firms are reduced. Using some counterintuitive strategy, the Hired Guns firm has signed up approximately 350 freelance consultants recently, many through her pink slip parties. Just as Internet companies added way too much bloat too fast, they'll could be cutting too deep and then realize that they need more professionals, she explained.

When that happens, she added, consultants--who offer more specialization and cost less than full-time employees--will start to look very attractive to companies.

If Hemming's hunch proves out, Joseph Loiacano hopes to represent that thinking in the mainstream. Once a full-time employee, but now an avowed consultant and recruiter, Loiacano said he grew tired of seeing bad managers hang on to bad ideas that got funding anyway, who clung to those unworkable business models even as their companies went belly up.

"There's too much emotional equity involved in working full-time for these businesses," he said. "As an employee it's a really bad situation, but as a consultant you get distance." And an exit, without a pink slip.

November 2, 2000

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