



Ben Kirshner,
foe to red tape

THE TRANSFORMER

Pennsylvania is a notoriously tough place to start or run a business. Can Ben Kirshner, the first guy to sell coffee on the internet, fix that? The governor sure thinks so. **by Don Steinberg**

I

In February of 2022, Pittsburgh-based U.S. Steel broke ground on one of the most advanced steelmaking facilities ever built in North America. When it begins production this year, the \$3 billion project promises to create some 900 jobs for local workers at six-figure salaries. It's the largest private-sector project

in the history of the state. That state is Arkansas.

The move to build the future of steel along the Mississippi instead of the Monongahela was a gut punch to Pennsylvania and an epic fumble for the "Steel City," whose NFL team, the Steelers, has a mascot named Steely McBeam. Asa Hutchinson,

who was then the governor of Arkansas (before fading into the obscurity of running for president), danced in the end zone over his state's conquest, gloating that U.S. Steel CEO David Burritt told him Arkansas could build a steel mill from scratch faster than Pennsylvania could issue a permit to start one.

When Josh Shapiro was on the campaign trail for Pennsylvania's governorship in 2022, he kept hearing stories like that one—about big and small businesses choosing to set up anywhere *but* the Keystone State. Companies like Intel, which in 2022 committed \$20 billion to build microchip factories in Ohio. The

largest private-sector investment in that state's history, it's projected to create 3,000 Intel jobs and 7,000 construction jobs and attract dozens of other companies.

While other states have boosted incentives to woo companies, Pennsylvania has one of the nation's highest corporate tax rates and offers relatively meager funding to attract businesses.

"Pennsylvania spends seven or eight times less in terms of incentivizing companies than many of our neighboring states—specifically Ohio, which has a smaller population," Rick Siger, secretary of Pennsylvania's Department of Community and Economic Development (DCED), points out to me.

Our state's portion of the national GDP has been falling. Population is shrinking, too; we lost a U.S. House seat and an electoral college vote in the last redistricting. A 2023 list by WalletHub rated Pennsylvania the 44th best state in which to start a business (though a Forbes Advisor list has us at number seven, so maybe online listicles aren't the smartest way to choose a home for your business).

And the deeply mundane problem of delayed permits and professional licenses has made everything just a little worse. Amid hospital staff shortages, more than half of the 12,000 nurses issued Pennsylvania licenses in 2021 had to wait three months or longer to get them—among the longest lags in America, according to an NPR investigation. Luke Bernstein, CEO of the Pennsylvania Chamber of Business and Industry, tells me a family member was a teacher in Virginia who had trained in Pennsylvania, and when she moved back here, it took Pennsylvania four months to issue a teaching certificate. Permits from the Department of Environmental Protection can take years. Zombies seem nimbler than some of these agencies. Delays can mean uncertainty and postponed income for businesses and people. "Other states are using that to market against us," Bernstein says.

To make a symbolic point and urge permit reform, State Senator Kristin Phillips-Hill (R-York) held a press conference (and a gigantic pair of scissors) at the former factory of York Narrow Fabrics, the company

that made the literal red tape once used to bundle federal regulations (hence the euphemism).

"I have heard from my constituents countless times," she says. "It's nurses, doctors, it's cosmetologists, barbers, realtors, teachers—any individual that requires a professional license from the state. We have a joke that this is the best job security for the staff in our district office. We are constantly having to help our professionals obtain those certificates and licenses from state agencies."

Shapiro has a philosophy he calls "GSD," for "Get shit done." His signature move as the new governor came when a chunk of I-95 collapsed last June and he led the effort to repair it in a mind-blowing 12 days, showing how quickly a motivated government can produce results—and just how big a hole in the road has to be to get some attention around here.

With so many businessfolk griping to him about bashing their heads against the state bureaucracy, Shapiro turned to Ben Kirshner, a tech entrepreneur from the Philly suburbs with whom he was friendly,



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and essentially said: *Can I give these people your number?*

“When Governor Shapiro originally asked me to do this role, he said he was looking for a kind of business czar,” Kirshner recalls over lunch at a Lancaster Avenue diner in Wayne, not far from his home. “With the war in Ukraine, I was like, ‘I don’t know that I want a title with the word *czar* in it. But let me think about it.’”

To start 2023, Shapiro appointed Kirshner the state’s Chief Transformation Officer, head of the newly created Office of Transformation and Opportunity (OTO). Kirshner would be a liaison between the business community and the state’s slow-walking agencies, working to unravel knots of red tape. His unit would support Siger’s DCED, which provides tax credits, loans and grants to lure companies here. The hope is that the OTO can compensate for Pennsylvania’s less-than-sterling financial handouts by at least making it easier for companies to set up. Kirshner’s buddy Josh Kopelman, Philly’s preeminent tech investor, honored Kirshner’s new title with a

Transformers action figure for him to display on a shelf in Harrisburg. (It’s Grimlock, who converts into a Tyrannosaurus rex.)

Kirshner had made his fortune in the speedy world of digital marketing. He’d just sold his company, Tinuiti, for untold millions of dollars after building it into one of the top advertising buyers on Amazon, Facebook and Google, with thousands of familiar brands as clients and 700 employees in 15 cities over 10 states. Digital marketing is driven by trends and surges, so transactions like automated auctions for ad display can occur in nanoseconds. In an *Inc.* magazine article in 2014, Kirshner wrote, “In business, it’s not the big that eat the small; it’s the fast that eat the slow.”

It was time for the transforming to begin. Or time to find out what happens when the unstoppable force meets the immovable object.

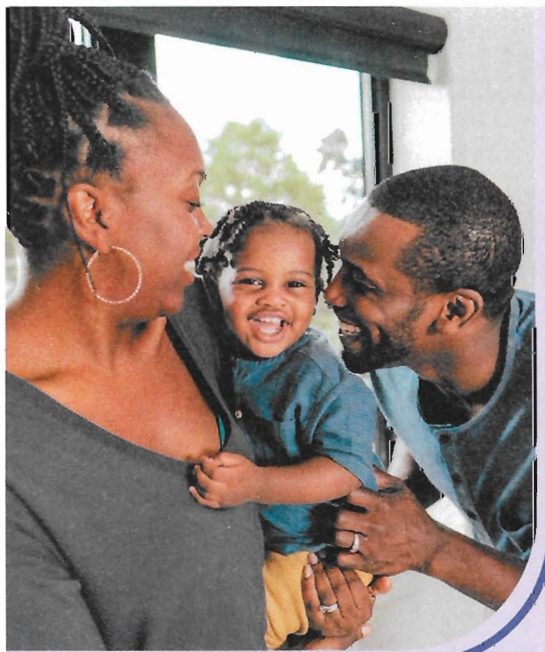
Better Call Ben

Kirshner, who’s 46, graduated from Upper Dublin High in 1996. His parents had started a company in their apartment, CoffeeServ, that supplied coffee to offices.

In the primordial days of the Web, while he was studying entrepreneurship at George Washington University, Ben built a website expanding their customer base to home shoppers.

“My claim to fame is I’m the first person to sell coffee on the internet,” he tells me as I sip my coffee. “We were doing e-commerce before there were shopping carts. Doing live chats to check out. It’s pretty wild.” Coffeeforless.com is still in business, and Kirshner still seems jazzed about having transformed his parents’ business to thrive in a fast-paced future—maybe a bit of foreshadowing there.

At age 26, Kirshner launched an online marketing agency, Elite SEM, and it got huge. Based in New York and eventually with a Philly office above El Vez at 13th and Sansom, Elite expanded nationally, with a client list that included Peloton, Eddie Bauer and Hugo Boss. Elite increased online sales-lead generation for bug-killer Terminix by 65 percent using paid search-engine marketing (which is what SEM stands for). The company did email campaigns for Bombas, the socks guys. “We launched



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their digital-marketing site before they were even on *Shark Tank*,” Kirshner says.

The company regularly made “best places to work” lists and the *Inc.* 5,000 as one of America’s fastest-growing private companies. Kirshner owned 100 percent of it before taking on private equity from Mountaingate Capital in 2017. After acquiring other agencies, the company rebranded

tributed “phantom equity,” a portion of the company’s value without stock ownership, to some employees. He says, “One of my proudest accomplishments in the private sector is through that whole process, I created 28 millionaires.”

Kirshner met Josh Shapiro when the future governor was a Montgomery County politico—a state Rep and then a county

of 2020, he said, “What do you want to do?”

Kirshner joined Shapiro’s transition team in 2022, helping him select personnel. “Toward the end of that,” Kirshner says, “he said to me, ‘You know, when I was campaigning, I met a lot of people in the business community, and I heard how Pennsylvania might not be the best place to do business. We’re not proactive. It’s hard to get permits. We don’t have the best incentives.’ People would complain to him about how Pennsylvania needs to do better.”

“I told Ben that I thought we needed a point person for folks who wanted to do business with the Commonwealth—one office they could come to to get answers, cut through the red tape, get a deal done,” Shapiro tells me after a ceremony to install a state Supreme Court judge. “What Ben brought is a private-sector, fast-paced mentality to the government—that aggressive mentality, our GSD approach to governing, our get-shit-done approach.”

Pivot Into the Quagmire

It may not be immediately apparent how a whiz in customer-acquisition funnels and

“ **One of the reasons I came to this role was that I was trying to get a document from the Department of State,” Ben Kirshner explains. “It cost me a lot of money, because I was trying to close a transaction, and it was a whole nightmare.”**

in 2019 as Tinuiti—adapted from “ingenuity and continuity”—and in 2020 was sold to New Mountain Capital for an undisclosed sum. (Kirshner wouldn’t share any numbers, but the company put its 2020 revenue at \$135.3 million for the 2021 *Inc.* list; tech companies tend to sell for multiples of their revenue.) Kirshner had dis-

commissioner. Shapiro and Kirshner’s wife went to the same high school. “It became clear he was very inspiring,” Kirshner recalls. “We would talk all the time about business, technology, marketing, media. He was fascinated by business. I said, ‘Anything I could do to support you, let me know.’ Then after I sold my business in December



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conversion-rate optimization is the right guy to bolster business in Pennsylvania, whose economy remains largely industrial, built on manufacturing, mining, energy, delicious candy and snacks. But business is business, Kirshner explains: "I understand how companies think, especially in deal-making mode. I know the questions they're gonna ask. I know what they want to hear about." While he was growing his own company, he points out, "I saw what good and bad economic development looked like."

That doesn't explain why someone who never needs to wear a tie again would choose to commute to Harrisburg. Kirshner says he felt too young to retire. He wanted to give back. "One of the reasons I came to this role was that I was kind of a victim of bad service from the state. I was trying to get a document from the Department of State. It cost me a lot of money, because I was trying to close a transaction, and it was a whole nightmare." Saving others from that misery? "That's where I get my dopamine."

Shapiro kicked off the transforming in 2023 with an executive order giving

state agencies 90 days to document every type of permit, license and certification they issue—more than 2,400 in all. Some business-application reviews are lengthy for good reason, of course. PennDOT assesses traffic and other impacts. Environmental permits can involve public meetings and inspections, to keep our water less poison-y. The first major initiative in Kirshner's office was working with agencies to identify whether each undue delay resulted from problems with staffing, technology, legislation or something else.

I try to get Kirshner to confess how painstaking it must have been to persuade entrenched civil servants to do that extra work to help the new guy look good, but he doesn't bite.

"I was kind of shocked. I thought it was gonna be a lot harder," he says. "We didn't really get pushback, because we approached it in a way of like, 'Hey, we want to help you.' They were able to raise their hand and say, 'I have a technology issue. It's been bothering me for years.' A lot of these agencies looked at the data and

saw, 'Oh my God, *we can fix this.*' And they started fixing it."

In July, the Department of Education announced it had reduced teacher-certification processing times from 10 to 15 weeks down to less than one. The Department of State cut the average processing time for business and corporate filings from eight weeks to three days. At an appropriations committee meeting last March, then-acting Secretary of Environmental Protection Rich Negrin acknowledged to state Senators: "I've heard those nightmare stories about a permit that took four years, about a permit that took seven years. That should never happen. ... When we say your permit is deficient, and it's repeatedly deficient over and over and over, at some point, that's not your fault; it's ours. We're not being user-friendly."

Businesspeople appreciate having an entrepreneur in Harrisburg; it's like going to the DMV and the guy taking your driver's-license picture is Dale Earnhardt Jr. Kirshner met with corporate site selectors, "learning from the companies that didn't choose Pennsylvania in the past," he says. "We talk-



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ed to Intel, who famously chose Ohio. Where did Pennsylvania get knocked out of the competition? What was important to them?"

His unit became a sort of helpline for permit woes. Spark Therapeutics is building a \$575 million Gene Therapy Innovation Center on Drexel's campus, with some financial incentives from the state. Kirshner's office helped solve an issue that threatened the start of the project. "We had this one permit with the DOT that was kind of stuck," Spark CEO Ron Philip tells me. "We were about to break ground. And as you can imagine, timelines and budgets are well connected. When we reached out to Ben's office, it was a pretty quick turnaround."

I talk to Mike Cooley at the Provco Group, a commercial real estate company in Villanova that buys land and secures permits for sites where clients like Wawa, Starbucks and CVS want to build stores. As we speak, it becomes clear that permits have haunted Cooley's existence. "We are investing literally hundreds of millions of dollars into our economy in the Commonwealth, and it's been almost unappreciated

by previous administrations," he tells me. "I felt like it was just, 'Take a number and get in line.'" He says this multiple times.

In October, Cooley was at a roundtable with Shapiro and saw an opportunity. He told the governor how awesome it was that Interstate I-95 was fixed in just 12 days. "It was a good segue into how ironic it is for me, a private business owner and developer, that it takes no less than 12 months, with extraordinary efforts, to obtain permits from our state," Cooley says. "No exaggeration, less than 10 minutes after he left, I got a text message from Ben Kirshner. We arranged for a Zoom the next morning. And I literally got a call from PennDOT within days of that conversation."

It seems the immovable object has budged. The corporate tax rate is falling, thanks to a move by the previous administration. Pennsylvania reached record low unemployment in 2023. The Shapiro administration says there's been \$1.2 billion in new private-sector investment, and it just issued the state's first long-term economic development plan in 20 years. As

I'm finishing my research, I hear about a photonics company, Excelitas, that's decided to move its headquarters to Pittsburgh from the Boston area, with a plan to create 250 jobs in a high-tech district that's helping Pittsburgh compensate for the decline of heavy industry. Excelitas CEO Ron Keating tells me Ohio floated much bigger financial incentives. "Ohio gave us a very high prelim number. Kind of shocking," he says. But Shapiro, Kirshner and Siger convinced him the business climate in Pennsylvania would be better. "Ben's a really sharp guy. I like him a lot," Keating says.

Insiders figure if Shapiro's star keeps rising—maybe so far as to Washington, D.C.?—a get-shit-done-approved confidant like Kirshner could join him on the ride. I ask the latter how his first year in government has changed him. He's the transformation guy, right? "I don't think I've personally transformed that much," Kirshner tells me. "I'm asking lots of questions every day. I'm still learning. But I don't think I'm fully transformed." **D**

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