

## How to Grow your Business during a Downturn

*Successful IT Consultant/Entrepreneur, Carl Mazzanti shares his experience and advice about thriving in a recession*

Most of us have experienced a recession and know the painful effects on business and the difficult decisions business owners face. Laying off employees or cutting back hours and benefits while racking your brain for ways to spark sales often accompany the process.

What's the secret of avoiding the pain? There will always be adjustments and stretching when the economy goes south, but some businesses seem to do better during a downturn. They find a way to continue to grow while others are pulling back.

For example, eMazzanti Technologies continued to grow by double digits through the 2007 – 2009 recession, sometimes called the Great Recession. The company emerged from that painful period even stronger to make the Inc. 5000 list of fastest growing companies for six consecutive years (2010-2015), a very rare accomplishment, as noted by the Editor of Inc. Magazine.

*"Only a tiny fraction of the nation's companies have demonstrated such remarkably consistent high growth, particularly in the difficult economic environment of the past few years," writes Eric Schurenberg, President and Editor in Chief of Inc. Magazine in a letter to eMazzanti Technologies. "This achievement truly puts you in rarefied company."*

eMazzanti's founder and CEO, Carl Mazzanti talks about how his firm was able to prosper during the recession, and since, sharing useful insights for other business owners.<sup>1</sup>

*"eMazzanti Technologies was started to fill our SMB customers' need for technology. From the beginning, there has always been a mindset of see a need, fill a need."*

*"Since 2001, there have been a number of course corrections but none as drastic as the financial meltdown this past decade. I think most small business owners expected the pre-recession economy to be the new norm for commerce."*

### Prepared by 9/11

Timing and experience has a lot to do with business success, good timing, or in eMazzanti's case, even bad. *"Having started Mazzanti in August of 2001, just weeks before 9/11, we were well experienced with tight market conditions and what it takes to survive, but you can never be fully prepared."*<sup>2</sup>

### Recognizing the Signs

*"There are signs of pending recessions—buildup of inventories, slow customer payments, delayed projects, customer financing requirements, and a plenitude of other indicators. Those knowledgeable*



*enough to watch the signs, and more importantly, acknowledge the signs with action, are the managers that evolve into the greatest business owners."*

*"Those that ignore the signs and keep their foot on the peddle end up with the worst of scenarios, letting go of the friends you see every day after failing to support them and all that you have worked to build."*

## **Effects of the Downturn**

Carl's business was not immune to the effects of the recession, but his concern for his customers played a role in overcoming them.

*"From customers' slow payments to agreement terminations to loyal long standing customer bankruptcies, the storm surrounding the last recession hit us all in some way."*

## **Growing by Listening and Building Trust**

Carl consistently made the effort to put himself in his customers' shoes, equating his success with their success.

*"During flat or declining markets we have been able to grow at a double-digit pace, and often more than 20% a year. A lot of this success is based on customer service. When times get tough, those that can listen and help someone through their challenges builds trust and garners votes. In this case the votes are with their wallets."*

## **Investing during a Downturn**

By advising his customers to make the right investments in technology, Carl helped them to position their businesses for growth. By supporting them through the tough times, they prospered together.

*"Symbiotically, those customers that continued to invest with us during the recession grew even faster as their own markets began to recover.<sup>3</sup> Knowing where to invest, increasing productivity, and building a foundation for success, each customer that continued to invest in technology during the recession did extremely well when opportunities to serve others returned in droves."*

## **Advice to Push through a Downturn**

When asked to summarize and share some advice to help other business owners weather a downturn, Carl imparted some additional tips:

*"With persistence, dedication to customer service, marketing and prudent financial management, you can weather any downturn. Hiring the right people to get the job done will see you through. Partnering with your vendors and your staff early will make all the difference when you need them most."*

<sup>1</sup>Carl's comments are taken from material prepared for an interview with Freshbooks Blog author Ritika Puri

<sup>2</sup>Carl and co-founder Jennifer Mazzanti were in the World Trade Center visiting clients when the first plane hit.

<sup>3</sup>Carl's advice here is textbook. See [What Smart Companies Do During an Economic Downturn](#), and [Seize Advantage in a Downturn - Harvard Business Review](#)