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## **Ready, Set ... Startup**

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**Far from shortening the list of business startups, the recession really has created opportunities for entrepreneurs looking to innovate.**

*By Stephanie Corbin -- Tradeshow Week, 4/12/2010*

People with an entrepreneurial spirit always will find niches that have yet to be explored and launch businesses in them.

For a multitude of reasons, an economic crunch seems to give rise to more opportunities. The tradeshow industry is no exception when it comes to entrepreneurs looking for ways to turn innovative ideas into new ways of doing business.

One example of a business new to the scene is Fantail Consulting & Technologies, which provides business technology management consulting services and cloud technology, Internet-based computing.

Fantail President Michael Hatch left event software company a2z last September to join CEO Pat Pathade, who left a2z about a year ago, to pursue the opportunity in an up-and-coming technology.

"There is a fairly significant change taking place in the technology world," Hatch added.

But, while some would be afraid to leave a secure position at a secure company and set off on a new adventure, Hatch said there's a benefit to doing so during a recession.

"I think it's an advantage, as long as you have a good product or service and a good value proposition," he added.

Hatch said regardless of the economy, every new business takes time to get off the ground.

"You can fill the pipeline when you're not going to see much business anyway, and, when the economy improves, you're going to ride that wave," he added.

Hatch said he has started six businesses in the past, and "every one of those businesses during a downturn or recession." His experience showed, he added, that it took about a year to get a business to the point where it's sustaining itself in revenue.

The general state of the economy makes for a competitive environment for new businesses.

"Anytime people are out of work and can't find a job, it's natural to gravitate toward doing your own thing," Hatch said.

Another group of entrepreneurs who used the recession to their advantage are Champion Exposition Services veterans Chris Valentine, Nate Derby and Chris Young, who co-founded T3 Expo, a new general service contracting company, in September.

Valentine said they had concerns, but also saw benefits to launching T3 Expo during a recession.

"The concern obviously is the overall economy and things that you have to go through personally to make sure you have a job and a paycheck," he added. But, "we kept hearing the same basic clues that people were ready for a change."

Valentine said the Great Recession meant that people were looking for new ways to do business – and more apt to make changes.

"We saw an opportunity to be a lot more innovative and start this up," he added.

Valentine said T3 Expo offers three basic value propositions that the company will continue to promote as the recession draws to a close:

- objective-based pricing, including price equity and working on price components to grow the showfloor
- the competitive nature of marketing opportunities and making sure the social media components have value
- new looks, more variety and good management of the supply chain of equipment, including items rented for booths

All businesses, particularly those in the tradeshow industry, face one common challenge: Valentine said business relationships require a lot of trust and teamwork.

“Re-establishing that trust and understanding in a new entity ... is definitely one of those challenges,” he added.

The new businesses that have cropped up, though, aren't all on the industry's supplier side.

Skip Farber, who previously oversaw **The WSA Show** and numerous other events, launched Encino, Calif.-based Carlin Capital Partners with his son, Jason, a little more than a year ago. Farber said the recession actually plays into the business' strategy because it is an investment firm that works to acquire and make investments in companies, including those in the tradeshow sector.

“We are looking to provide solutions for small companies,” he added. One of the company's advantages, Farber said, is that it has capital available at a time when more traditional investment companies don't.

“We have not raised a fund,” Farber said. “We are investing our own money, which allows us to move quickly and decisively.”

To date, Carlin Capital Partners has invested in a real estate mortgage business, with two other deals under consideration, including one in the marketing services sector, Farber said.

However, he added, a recession made sense for their business and it helps to foster a new wave of businesses.

“It's certainly, in general, a lot harder to work against the flow of the river, so to speak,” Farber said. “(But) ... it's my belief that this is when opportunities are born.”

He added a recession breeds entrepreneurship, and “if it doesn't, it should, but it takes guts.”

Hatch, speaking from his experience, also said launching a business in the middle of a recession takes a certain wherewithal.

“Don't think it's going to be easy,” he cautioned. “It's probably the hardest job that you'll enjoy.”

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