

BY AMANDA LEFF



Transformed by Katrina



A year after the storm's wrath, ExpoSigns has managed to re-invent itself.

Just about a year ago, John Maracich III owned and operated ExpoSigns—a signage and graphics shop in New Orleans' Midtown that focused on digitally printed exhibits and P-O-P graphics. A 10-year-old company, ExpoSigns employed five people, including Maracich and his wife, Tiffany.

"I can remember commenting to my wife that we had finally put together a solid team," says Maracich. "Jim, our production manager, has been with us the longest—about 7 years. Jeff, who ran our laminating and mounting, had been with us for 2 years. Ryan was a graphic designer who had just graduated college."

Then, in August 2005, Hurricane Katrina struck, and everything changed. In addition to the wholesale damage and suffering Katrina did to the Gulf Coast, the storm left the New Orleans business under water, and Maracich unable to salvage his Midtown location and parts of his team.

A year later, however, Maracich has managed to not only survive Katrina's wrath but even change his company's direction and get back on the road to prosperity.

An environment not conducive to business

Although Katrina had been predicted to move from the southern tip of Florida into the Tampa area, weather patterns changed on the Friday before its Monday-morning landfall, recalls Maracich. "It

wasn't until most people were either leaving work or on their way home that they became aware the projected path had changed."

As Maracich left work that Saturday to drive his daily 45-mile commute home to Slidell, LA, the grave predictions began, and Louisiana's governor declared a state of emergency. Then came Sunday morning and the first-ever mandatory evacuation of New Orleans began, with Maracich and most of his family seeking refuge at his in-laws' house in northern Atlanta.

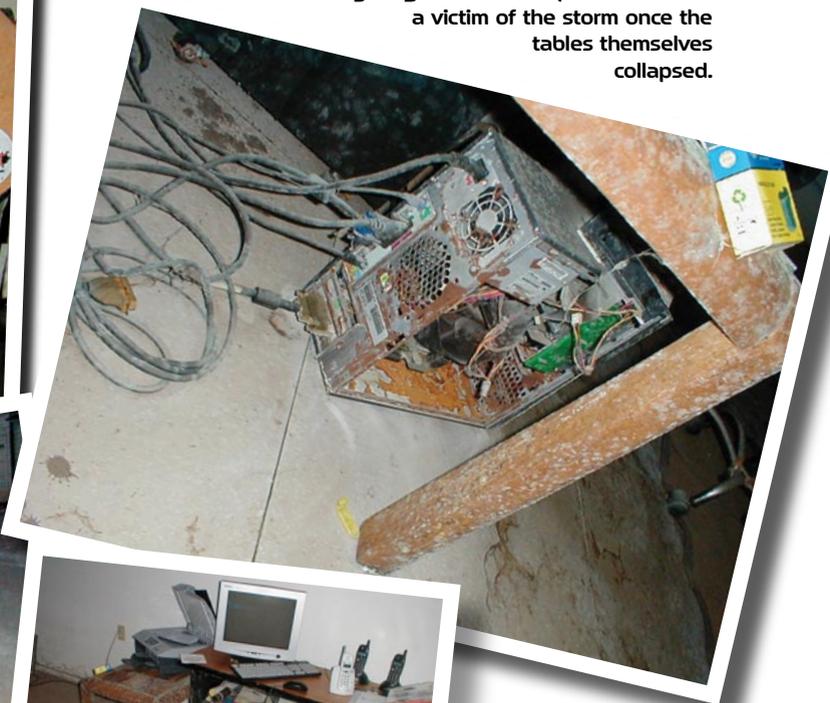
"As we began to prepare for evacuation, I had to reconcile myself with the fact that I could only hope for the best at ExpoSigns, which had been left as normal on a workday afternoon," says Maracich. "Like much of America, we watched early Monday morning as the storm slowly made its way. The eye of the hurricane passed directly over our hometown, along with its 180-mph winds. Soon enough, we knew most of the area had been destroyed or severely damaged."

Maracich allowed two weeks to go by before deciding to begin the revival of ExpoSigns—albeit from a distance. He outsourced work to Atlanta's Edge Digital Color Printing to fulfill large orders that needed completion for national clients. He also began calling his customers.

ExpoSigns' new strip-mall location in Slidell, above, has presented owner John Maracich with the challenge of learning how to better manage new types of jobs as well as clients.



Katrina severely damaged or destroyed most of the shop's equipment. Almost every piece of hardware, tool, and everything else on a shop table became a victim of the storm once the tables themselves collapsed.



"It was kind of a scary time because you didn't want to be calling people right away, asking if they needed any signs," he says. "It wasn't an environment that was conducive to great business."

About the same time, Maracich and his wife finally were able to return to New Orleans. Unlike many, they were fortunate to find that their house had been damaged but was repairable. "There was some pretty major roof damage, including a hole from a falling tree, but no flood waters reached us. Even though the winds had reached speeds of 190 mph in my neighborhood, most houses that pine trees hadn't fallen on had relatively light damage. But it looked like a bomb had exploded. For months, there were mountains of debris from fallen trees, downed fences, replaced roofs, etc., in front of most everyone's house."

ExpoSigns, however, was not so lucky.

"The business was flooded with about 3 ft of salt water that had apparently stood there for a couple of weeks. For us, the actual depth of the water was crucial regarding different aspects of the business. An inch or two was the difference between a ruined piece of equipment and a reclaimable one."

As it turned out, most of the equipment was severely damaged or destroyed. "All of the computers were on the ground, so they all became aquariums," says Maracich. In addition, the shop's Seiko ColorPainter printer, GBC laminator, scanners, all

the furniture, and at least \$10,000 worth of vinyl and laminates were unsalvageable. Most of the "survivors" included some old equipment that the business didn't use much anymore—an old laminator and printer, as well as a vinyl plotter. In short, the shop was simply no longer useable.

Finances were another problem Maracich encountered post-Katrina: "There was little or no access to local bank accounts," he says. "House notes, car payments, health insurance—all things that were normally taken for granted had to be considered in the context of an uncertain future." Cash-flow issues went beyond Maracich's personal dilemma of not having access to his money: "Not only are you struck by this, but so are all of your customers—everyone who owes you money."

Plus, ExpoSigns lost two of its employees to relocation. Jeff moved his family to Little Rock, AR, after losing his house in the storm. Ryan had his apartment flooded, and he relocated to New York City.

Starting over

Soon after returning to Louisiana, Maracich took on a job that involved producing a large quantity of signs for a music-festival charity event benefiting Katrina victims. For lack of a better workspace, he began making the signs in his garage. He finished



Damaged vinyl and laminates in the shop were unsalvageable, says Maracich. Industry suppliers stepped in to help out with consumables as well as hardware.

the job by sub-contracting to New Orleans' High Tech Signs—a company that was one of the first businesses to reopen. High Tech helped ExpoSigns with several more jobs while Maracich searched for a new location for the company.

Things began to quickly fall into place. After contacting a real-estate company in Slidell, Maracich took interest in a strip mall's vacant bike shop that didn't reopen after the storm. Although the shop had to be divided in order to make it affordable for him, the real-estate company helped make the deal possible.

It was only after Maracich began to hear from some of his customers that he contacted his Seiko distributor, Chromatek, and asked for the least-expensive solvent printer so he could get back to work. Instead, Seiko and Chromatek partnered to give Maracich a very good deal on a demo ColorPainter, which was much larger than the model he believed he could afford. In addition, Chromatek also contacted Avery on Maracich's behalf, and Avery responded by giving ExpoSigns about \$1000 worth of vinyl to get them started.

As of early November, Maracich was renting the space. And, by mid-November, the business was up and running—about two and a half months post-Katrina.

"ExpoSigns' revival is, in part, thanks to the generosity of others in the industry," says Maracich.

'Change is inevitable'

The revised shop location—which is about 40 miles from the original site, in Slidell—offers a new opportunity for ExpoSigns: walk-in customers. "I had been thinking about entering the world of retail sign sales for years and found myself somewhat happily forced into having to enter that world," says Maracich.

Transitioning from an appointment operation to a walk-in environment has presented him with the challenge of learning how to

Words of Advice

Some words of wisdom, directly from John Maracich, on disaster-preparedness and more:

- Because it's hard to predict what damage will occur, "In the future I will definitely 'over-insure.' Our area was supposedly not flood prone. It's best to get as much insurance as you can safely afford."

- Be diversified. ExpoSigns previously relied upon trade show-related work for more than 70% of its business. "Luckily for us, we had diversified in recent months, or else we wouldn't have had any customers—because there were no trade shows and no tourism," says Maracich. "Enough of our customers were unaffected by the storm to keep us going. If we had been as deeply entrenched in trade shows as we had in the past, however, there would have been no hope for us."

- Keep copies of important papers offsite as well as copies of accounting files and job files. "We had stored much of this on an external hard drive, but I still find myself missing specific files that were only on one computer or another."

- Don't lease. "We will be paying a substantial amount of money for our mistake of acquiring equipment via a lease. Unlike a loan, there's no option for early payment on a lease [and] if the equipment is damaged or destroyed, you're still responsible for all payments including interest."

- Don't expect guaranteed help of any kind, says Maracich. "The list of people that gave us help and aid in this area is endless [and greatly appreciated]—but also rather unpredictable. Something you may vitally need may be unavailable from the government or other entities. I wrongly assumed that the federal government would make it a top priority to help small business rebound in the affected area."

- An emergency savings account never hurts. "We definitely will be putting away a portion of our profits in a national bank account that we can access in an emergency. Local banks, though normally great for their customer service, were also affected by the storm; many who had all their money tied up in local banks were unable to withdraw it when they needed it most."

better manage new types of jobs and clients. "Morphing from a wholesale-type business to a retail business is an adventure, but I'm excited about the possibilities," he says. "People, in general, are very interested in the potential for digital printing. The beautiful digital graphics that are commonplace on the trade-show floor are a relatively new sight for most small businesses."

Maracich's plan is for ExpoSigns (www.exposigns.com) to grow to the point where it's providing an even mix of wholesale

and retail services. He recently finalized a deal on a small space in New Orleans close to the convention center—an even better location than his previous one. The space will be used to complete quick jobs during trade shows, while the company will continue to do the bulk of its work at its new Slidell location. Currently, about 20% of the company's business is now trade-show related, Maracich estimates, which is largely due to the lack of an operating convention center in the first part of 2006. As he expected, some trade-show business began picking up in June, when the convention center once again began hosting events.



Maracich wants the revitalized ExpoSigns to provide an even mix of wholesale and retail services. In addition, he recently opened a small space in New Orleans close to the convention center to bring back some of its trade-show business.

Meanwhile, Maracich has hired two new employees to help with company workload. One of them relocated to Slidell after his house was destroyed by the storm; another, who is studying graphic design, “has caught on to the sign business in a big way,” says Maracich. And, Jim, the lone remainder on staff from the shop's pre-Katrina incarnation, is now commuting from his house to the new location; the company has tried to create a flexible schedule for him to make that commute an easier one.

“It's all part of a lesson for us on the need to be flexible,” says Maracich. “Whether you're forced to change or you choose to change, change itself is inevitable for any business that hopes to stay afloat.” **BIG**

Amanda Leff is a freelance writer based in Pittsburgh, PA. ExpoSigns' John Maracich has recently set up www.signfreak.com, a website dedicated to the production of signs and graphics.

TQT

ADVANCE WITH A STRUCTURE THAT REFLECTS YOUR STRATEGY

Beyond ERP

- CRM
- Estimating
- Scheduling
- Costing
- Purchasing
- Accounting
- Web
- HRM

A fully integrated system with dynamic flexibility

Strategic Management Software

www.TQT.com
sales@tqt.com
1-866-446-1214
x 212

SGIA '06
 Exhibitor
 Booth 4146