



# TOM MAZZA: Recession Changes Industry Forever

June 9, 2010



ABOUT PHOTO: Tom Mazza at June 8, 2010 GCLA meeting. Photo by Eric Sabroff.

SUMMARY: The national limo consultant and trainer advises operators on how to adapt to a transforming market.

LOS ANGELES — The economic engine of the limousine industry in the last few years fires more on the efforts of information-based chauffeured companies than traditional brick-and-mortar ones, consultant **TOM MAZZA** said Tuesday night.

"The big players are not people who have monuments. It's the people who are managing and handling information," said Mazza, citing such companies as Savoya and LimoLink, which essentially operate as giant chauffeured transportation coordination services built on reservations, sophisticated technology, affiliate networks, and marketing. "The people making money are not those with big fleets and big buildings."

**TOM MAZZA**, who as a chauffeured transportation consultant regularly advises operators on financial performance, spoke Tuesday evening at the June meeting of the **GREAT CALIFORNIA LIVERY ASSOCIATION** just outside Los Angeles International Airport.

The former operator and LCT editor turned consultant and chauffeur trainer listed several key business changes brought by the severest recession in the history of the organized chauffeured transportation industry. He also recommended five key things operators should be doing to survive.

Other aspects of the "new normal" according to Mazza:

- The recession has constricted financing, resulting in higher lending rates for operators. That forces operators to look for "bootstrap financing," or alternative sources for loans and credit lines.
- Smaller fleets and "doing more with less" now define the more successful chauffeured transportation companies, with a heavy emphasis on making sure each vehicle is profitable with a higher ratio of revenues to operating costs.
- Smaller staffs in smaller spaces make sense. Too many operators were overstaffed before the recession.
- Look for growth areas and opportunities. Where is there a need and how good is the level of service? The value of a company can only be measured based on the value it produces for someone who knows what they are doing, Mazza said.

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FIVE things Mazza says operators should pursue to succeed:

1. **GO GUNG HO:** "Be a fanatic" about documenting all company procedures and processes. That ensures consistency and makes it easier to train employees when ramping up during a recovery.
2. **CONNECT:** Network constantly and leverage as many professional and business relationships as possible. "You're not going to find enough business within a 10-minute radius of LAX," Mazza said, as an example. Operators cannot just stay local, needing to network and affiliate with other operators based on honesty and integrity.
3. **TEACH & TALK:** Look for employees who can be mentored and encouraged to grow professionally with your company. "Use sticks and carrots to build their knowledge and information," he said. Talk to employees constantly and send a daily e-mail to your office distribution list to update them on company developments and ask them "to pound the pavement to get more rides."
4. **CARRY A BLANK PAD:** Listen to customers and ask them as often as possible what you can do to better serve them. Get to know them, keep track of them, and report on yourself like a new business. Then provide consistent quality service to generate repeat customers.
5. **PINCH PENNIES:** Save money wherever possible. The days of cushy profit margins that could safely absorb minor inefficiencies are over, Mazza warned. Stretch supplies, eliminate all waste, and cut gravy expenses. In a tighter economic environment, "saving \$100 per month is the same as bringing in \$400."

— Martin Romjue, LCT Magazine

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