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Niche companies make the most of the crisis

The Boston Globe



Tim McNamara and Tracey Manzi have drawn eager responses to their flat-rate plan for divorce-related consulting. (Josh Reynolds for The Boston Globe)

By Robert Weisman
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As stocks began their historic nosedive early this month, Tim McNamara and Tracey Manzi smelled opportunity.

The husband-and-wife team of certified divorce financial analysts rolled out a new service to take advantage of the sputtering economy and its inevitable stress on marriages: a flat-rate option for divorce-related financial consulting and mediation.

Since then, their phone has been ringing off the hook.

"I got five phone calls yesterday about our full-service mediation," said McNamara, president and cofounder of two-year-old New England Divorce Solutions in Boston's Back Bay. "The uncertainty with the economy is really testing families as never before. They've taken all the equity out of their homes and feel they can't afford a divorce."

The booming divorce consulting practice is one of several niche businesses - from consulting to outsourcing to risk management software - that have moved aggressively to capitalize on the nation's deteriorating financial situation.

History has shown savvy companies can gain market share during recessions and position themselves for rapid growth when a recovery arrives. Some that have fared best help other businesses, or individuals, cut costs and streamline operations in tough times.

Bain & Co., the Boston-based consulting firm, is busy developing contingency plans for shell-shocked companies scrambling to revise their business strategies in light of changed circumstances. "The economic turbulence is top of every executive's mind," said Darrell K. Rigby, a Bain partner. "Our perspective is the earlier you can make these contingency plans, the better off you are."

OpenPages Inc., a Waltham maker of software that helps businesses assess their risks and comply with government oversight, is redoubling its marketing efforts as companies brace for a new wave of regulations stemming from the financial crisis. "Frankly, we're positioned better than anyone because this crisis is related to the failure to manage risk," said Mike Duffy, the OpenPages chief executive.

Extension Engine, a North Andover start-up that helps technology companies farm out software development to its staff in Croatia, is offering clients a new value proposition: "You have to survive this downturn making sure you're as cost-efficient as you can be," said company president Bob Allard. "This is a lever you can use."

Few firms have been as unabashed about cashing in on the fallout from the Wall Street collapse - and the desire of people to save money while protecting their interests - as New England Divorce Solutions, whose partners are veterans of the financial industry.

McNamara worked as a financial adviser for UBS and [Morgan Stanley](#), while Manzi was a currency derivatives analyst for Standish Mellon Asset Management Co. They have fielded nearly two dozen inquiries over the past month from as far away as Maine. A number of their clients are financial professionals who have lost their jobs, or are expecting to lose them, at institutions that are being shut down or sold in the meltdown.

"We're seeing the crisis on Wall Street spilling into people's homes," McNamara said, citing a recent consultation with a Newton couple living in separate rooms of their house and wondering whether they can afford to split up. "People are cohabitating under less than ideal conditions. They want to know up front what a divorce will cost."

McNamara and Manzi, who attended a conference of the Institute for Divorce Financial Analysts in Las Vegas last weekend, work in collaboration with lawyers in divorce cases that are litigated.

But their new flat-fee option - which can range from \$5,000 to \$10,000 - is geared toward a growing number of couples who seek to "do away with the billable hours," in McNamara's words, through alternative dispute resolution. While they typically represent only one party, they're open to working for both.

"We feel divorce is more of a financial transaction than the emotional thing people go through when they go into a marriage," said McNamara, whose own divorce in 2001 convinced him the legal system isn't set up to handle the financial aspects of divorce. "It comes down to the children and the money. We deal with the money part of it."

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