

## When Did You Start Making a Profit?



**Some businesses make money from “Day One.” Others don’t make a profit for many years, while others make money and then go through hard times.**

There is no set recipe for what makes a business successful—or what makes, and keeps, one profitable. However, when women talk about their successful businesses, similar themes run through their conversations. Some of these themes are business oriented—timing, niche marketing, growth industries, follow the business plan. But some themes are more integrated with the personal—tenacity, commitment, time and energy, communication.

Judy Roberts (Rocky Mountain RV World, Inc.) started her business with other family members in 1985, and it ran in the red for almost five years. They entered a marketplace with already established dealers, which made their goals more difficult to achieve. They had to prove they were reliable and had to invest in inventory. “If someone is going to

make a purchase of \$20–30,000 and you’re new ... it’s difficult,” says Judy.

Judy attributes their ultimate success to her personal commitment. “My tenacity. My life was on the line,” says Judy. “And to a banker who believed in me, not just the numbers.”

In year three or four, they moved away from a sales approach of charging what the product is worth to a policy that took a longer view—not just focusing on short term sales of RVs. Says Judy, “Now, we’ll deal more up front, as long as we’re not losing money, because we are trying to establish a long-term customer relationship—in parts, service, and accessories as well.”

From the beginning Judy got paid, but not a living wage (she laughs), and at about year seven she started paying herself decent money. “You dedicate a lot of time from your personal life, maybe to the detriment of family. But, if you have the willingness to commit, you can obtain success.”

So, is it easier or harder now? “One hundred times easier,” says Judy. “You can focus on things you need to, rather than worry about money. Like how to make more profit. You might even spend time with family—go camping.”

Did she celebrate when they finally went into the black? Judy laughs “I slept. I finally got a decent night’s sleep.”

Sally Olinger (Olsten Staffing Services) attributes her success to hard work. “At the beginning, my hus-

band had a full time job, then he got laid off. I paid myself minimum wage the first year—nothing the first six months, then \$3.75 an hour. I wasn't making any large salary. We lived very inexpensively."

And while she was able to cover rent and expenses after the first year, it took her about three years to pay off loans to buy the business. She believes that in addition to hard work, she has kept up with her industry, which is still in growth mode. "It's [temporary staffing] cost effective as internal needs are not constant, and 99% of all companies will use a staffing service at one time or another," says Sally.

Sally knows her business has gotten more sophisticated, and that to be successful requires more than just providing an excellent service. Clients are demanding more tracking and reporting data than ever before, so Olsten must always be looking for ways to improve and to build strong relationships with their customers.

Barbara Trythall (Excel Staffing Companies) has been in business about 25 years. Did she make a profit the first year? "Definitely not the first year. Maybe the second or third," she says.

Like Sally, she attributes her eventual success to "a lot of very long hours. Seven days a week, 14–16 hour days for a couple of years." Early on they (she and her husband) hired a part-time receptionist, which freed them to do more productive work. They also hired a search consultant, who started generating sales right away.

They began by trying to be all things to all people and found that didn't work. So, within the first six months they had identified a niche—the construction industry. There was a large demand for construction management at that time, and there was a shortage of experienced personnel. They realized they had to have a specialty, and have never forgotten that early lesson.

Overall, they've been quick to recognize when markets were going into decline, but one time they didn't, and they suffered. "We stayed entirely too long with our specialty in mining, oil, and gas. We thought it was another blip, and it was a crash," says Barbara. "It takes a good year to get established in a new niche market. Those were very difficult times, yet we were able to hold on to our staff."

"It's a constant process," says Barbara. "Reading, watching Wall Street, seeing which markets are going up, making sure we were always on the up elevator."

Sandy Bundy (Atlas Travel Service) purchased the travel agency in 1979 with the proceeds of a three year note. She doubts she made any profit during those years, but business has grown from day one, and, after paying off the note, has been profitable ever since.

Did she expect to make money from day one? "Absolutely not," says Sandy. "I knew nothing about the travel business. I was a professional volunteer. I wanted to get paid for my time and my value. Atlas was for sale. I bought it."

She believes that it was her time to start a business and that her volunteer experiences helped her establish her business. "I was ready to have a business—to put my time and energy into it. My volunteer background, believe it or not, was helpful. I had to be a salesperson, I learned organization, and I have a talent for surrounding myself with good people," says Sandy. "No doubt that was a big part of it—I didn't want to do it alone. And I haven't."

Even though her business has grown from the beginning, Sandy says it's gotten harder to make a profit. The industry is constantly changing. "If you're not up-to-date, pro-active, you're out. If you don't grow, you're out of business."



“When I bought it, it was primarily a travel/vacation agency. We made an effort to do corporate business. It is now about 60% corporate, 40% vacation.”

When she made a profit, did she celebrate? “That’s one of the things I believe in,” reponds Sally with enthusiasm. “We try to celebrate our victories, even the small ones ... and I probably went to have a drink with a friend.”

Cate Stetson (Gover, Stetson & Williams, PC) and her partner borrowed quite a lot ten years ago to get started. They set up the office and added a third partner within the first ten months and a fourth partner soon thereafter. While they made a profit early on, they didn’t the first year. “I remember not so much when we made a profit,” says Cate, “but when we were hit with the news we owed more taxes.”

One of the ways they kept their costs down, was to pay themselves relatively little. “We paid lower salaries for attorneys for quite a while. I was paid less than some staff is paid now. Every single attorney ... had to take a cut in pay to work for us. ... One took an 80% cut in pay.”

Gover, Stetson & Williams has a very specific market. “Our focus was to serve tribal communities. It was our background, our training, our interest. But, it was not necessarily why we were successful,” says Cate. “Mostly we try to develop a way to communicate with clients about what they want. And then we try to give it to them rather than shove down their throats what we think they need.”

They believe in giving their clients the tools to make decisions and won’t automatically make the decisions for them. “Clients know what they want, but they don’t necessarily have the framework, the process, or know the options, the ramifications,” says Cate.

To ensure they deliver what their clients want and need, they send out a comprehensive questionnaire every year, asking why clients have hired them, how they feel they’re treated, what they think the law firm’s weaknesses and strengths are. At the partners retreat, they discuss the results of the questionnaire, and make whatever adjustments they need to. Says Cate, “We’re intelligent, well-educated, experienced. We’re Indian-owned, woman-owned, and maybe that contributes. We’re willing to change to give them what they want. If we’re doing something wrong,” says Cate, “we try to fix it.”

The abilities to change, to re-focus, to refine processes, and in particular to listen seem to be critical in saying on top of dynamic market forces. There is no way to guarantee success in business, but the experiences of these successful women suggests the importance of staying current with your industry, focusing on specific goals, committing to your business and your customers, and communicating effectively.

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