

# ENTREPRENEUR CONNECTION

NICK SIMONITE | ABJ

Carrie Arsenault left a six-figure salary to follow her dream and feel more challenged.

## HER OWN woman

*Entrepreneur built firm while balancing time with children*

SHELLEY SEALE | CONTRIBUTING WRITER

**C**arrie Arsenault didn't start out to blaze a career in recruiting or become a business owner.

But opportunity changed her path early on, and motherhood and an itch for a challenge altered it again, steering her toward an entrepreneurial calling.

Arsenault, president of recruiting firm Accountability Resources, began working in banking after graduating from the University of Texas with a degree in finance and marketing. But while discussing a new finance position with a recruiter at Robert Half International, the recruiting firm offered her a job at the same base salary plus commissions. Besides the compensation, she liked that she could use her financial background to help others in their careers.

"I figured, what did I have to lose?" she said.

As it turns out, she had everything to gain. During the next 10 years Arsenault became a manager and won numerous awards in the field. Although she had found her calling, she also found herself pregnant with her second child and performing the juggling act between family and

career that so many women struggle with.

"I realized that I wanted it all, and knew I could have an exceptional career and be a great mom," Arsenault said.

"I knew I was extremely efficient and talented at recruiting, but also that to be successful, you didn't have to block off 8-to-5 Monday through Friday. I felt that would have me miss too much time with my kids."

Arsenault had professional reasons urging her to make a change as well. She had reached a plateau, it seemed, which left her feeling bored.

"Working for someone else lacked challenge and creativity for me," she said. "So I walked away from a hundred-thousand-dollar position to follow my dream."

That dream was to open her own staffing and recruiting firm, and in 2005 she started Accountability Resources. Arsenault self-funded the company and is proud that it has remained debt-free. Today,

the business has a staff of eight who specialize in placing accounting, technology and energy professionals, and has expanded to San Antonio and Dallas. The firm recently ranked No. 5 on the *Austin Business Journal's* 2009 list of fastest-growing private companies in Central Texas with revenue less than \$10 million, and it was named one of the *Austin Business Journal's* Best Places to Work for the past two years.

When asked what her biggest challenge has been as an entrepreneur, Arsenault laughed and said it was being able to start the company at all. Although she had left Robert Half with a noncompete clause in place, she knew she had rights to work in the field.

So did Steve Fox, a lawyer with Fish & Richardson in Dallas. Fox so believed in her cause and admired that she was trying to arrange her work life to support being a

mother, that he represented her for free.

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### ARSENAULT'S ADVICE

**CARRIE ARSENAULT OFFERS THIS TO BUDDING ENTREPRENEURS:** "Make sure you have a fear of failure, and you absolutely have to have a passion and love for what your company will be focused on. Surround yourself with self-motivated people and know that you'll make mistakes. As long as you learn from those mistakes, consider that part of growing as an entrepreneur."

### ASK THE EXPERTS

#### What was the most difficult aspect about deciding to strike out on your own in business?

It was ensuring I had the right niche. I wanted my marketing services to fill a need in the market, utilize my expertise and, of equal importance, reflect my passions. I believe people deliver the most value when they are knowledgeable and passionate about what they are doing.



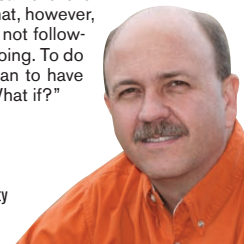
**Christa Kleinhans Tuttle**  
President  
Launch Marketing

The most difficult aspect is getting your mind around not always having a monthly paycheck to count on, and financial planning for the long term. However, it ends up being a blessing as you pay attention to everything you do, as it all relates to the bottom line. It also makes you deeply believe in your brand and yourself.



**Ted Balistreri**  
Executive vice president and managing director  
DHR International

Fear of failure. Being afraid of failing in general and what others, especially my wife, would think if I did not succeed at the same level of income I was earning. That, however, is a terrible excuse for not following your passion and doing. To do and fail is far better than to have always questioned, "What if?"



**Robert Felps**  
Founder and director  
Wilco Entrepreneurs Community & Network

# Consider the hidden cost not just of capital, but of raising it

There are some signs that the permafrost in the credit markets is beginning to thaw. I am beginning to hear, anecdotally, of some activity in the private equity markets. When rumors like these begin to circulate, many an entrepreneur's thoughts turn to raising capital. Perhaps you are one of those.

As part of your conversations with people in the financial industry, you may have heard the term "the cost of capital," a reference to the return on the capital being deployed, whether it is debt or equity. But there is another cost of capital that the textbooks don't discuss: the opportunity cost of raising capital.

What do I mean by that? Raising capital, especially equity, is often a grueling process. I have heard many CEOs refer to it as a second full-time job. It is time-consuming, fraught with risk of failure, and extremely distracting for management. And those are the raises that go well. It is not unheard of for management to get so tied up with the transaction that the per-

formance of the company itself deteriorates from neglect.

What is so time-consuming and distracting to management about a capital raise? If you are contemplating raising outside equity capital — and there are valid reasons to do so — consider the following:

- You will need to develop robust investment marketing documentation.

This would be a private placement memorandum, containing information appropriate for investors, including, perhaps, financial projections, descriptions of product or service offerings, and descriptions of how management is going to execute their business plan, etc., arranged in a manner that interested investors would find compelling.



**BRUCE RECTOR**

**RECTOR FACTOR**

You might also need to develop some presentations and other related materials. To do this properly will require meaningful time to assemble and input from everyone on the management team. You will also need advice and assistance from competent legal counsel with specific experience in these types of transactions.

- You will need to meet with many prospective investors.

This is simply part of the game. There are many, many venture capital and private equity funds out there. Each has its own particular investment profile and culture. Any quality fund will bring more than just money to the table. They should have business relationships or other portfolio companies that can add value to your firm. This stage of things is reminiscent of dating, and can take months before the right fit of investment profile, personalities and timing line up — and sometimes they never do.

- You will need to submit to fairly intrusive due diligence.

Once interested investors proffer a term sheet and you agree to it, they will be digging deep into the financial records, operations, management dynamics and anything else they deem relevant to come to a final investment decision. This process will consume a large amount of management's time as the prospective investor is walked through the information to form a clearer picture of how the company operates day to day. This process will take at least some weeks — in some cases, months.

All of these steps, necessary if the company is to be successful in closing a financing, can add up to a significant time commitment on the part of management. If management has determined that this is an effort the company should undertake, by all means do so. Just focus on effectively managing the process so that you can minimize the hidden cost of capital.

**BRUCE RECTOR** is president of The Rector Group management consultants [www.thectorgroup.com](http://www.thectorgroup.com) in Florida.

## ARSENAULT: Small business owner works to help others manage families, careers

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After an eight-month legal battle, during which Arsenaault gave birth to her daughter, the case was settled and the work of growing the company began.

"To this day," Arsenaault said, "whenever I win an award or get acknowledged, I let Steve know about it and how much I appreciate how he helped me."

Arsenaault's gutsy career move not only enabled her to balance her work and personal lives, but has afforded some of her

team members the same opportunity. Her first employee, Laurie Canepa, who is a mom, has become a partner in the firm.

"My greatest reward is having two amazing children and not feeling that I have had to sacrifice being a part of their lives in order to run and grow a company," Arsenaault said. "So it's very rewarding to know I am helping other parents juggle a career and family without feeling that one is suffering."

Arsenaault also has a firm dedication to giving back through community involve-

ment. She had a goal to create a nonprofit organization that her children could be involved in and that would enable them to make a difference and see how fortunate they are. An avid tennis and soccer player, Arsenaault was drawn to the idea of using sports to engage youth and give them self-confidence. Everything came together at a country club tennis event, where Arsenaault met tennis pro Dinka Hadzic. As a child, Hadzic fled her home in Bosnia with her family, fearing for their lives. Hadzic

turned to tennis as an escape, eventually earning a full scholarship to the University of Seattle.

Arsenaault and Hadzic teamed to create Ignite a Dream, a nonprofit foundation that provides at-risk children access to world-class athletic programs. Ignite a Dream established a tennis program at the Austin CAN Academy, and it is starting soccer and tennis programs this spring at the East Austin College Prep Academy, which until now has had no sports to offer its students.

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**The Austin Business Journal and the following companies congratulate the University of Texas Football Team, Coaches and Athletic Department on a fantastic year.**

HOOK 'EM!