

Eleni Monios: [00:02](#) Hi, I'm Eleni Monios and welcome to Open For Business. The business banking team I lead here at M&T is committed to providing small to midsize businesses with great advice and information, like these discussions, to help their businesses thrive. Most entrepreneurs know this sobering fact: A majority of small businesses don't make it to year six. Today's guest, however, is a testament to the contrary. Karen Barbour is a Maryland surety bond broker whose agency, The Barbour Group, has been serving clients for 17 years. And she hasn't just survived; she's thrived. Today, she'll talk with us about how she avoided becoming another small business statistic. Welcome, Karen.

Karen Barbour: [00:49](#) Thanks, Eleni. It's great to be here.

Eleni Monios: [00:52](#) Karen, you didn't just start a business. You trailblazed. You were the first female bond producer tasked with outside sales in Maryland. What inspired you to make that leap?

Karen Barbour: [01:04](#) When I started in the industry, I was an underwriter, and the industry basically teaches you to be an introvert. You sit at your desk, you look at data, you look at financial analysis. And after nine years of that, it got a little old and I grew up and I became more venturous, and I decided to be the first female bond producer. I wanted to work with creating new laws and regulations. You can't do that with a paycheck that doesn't have your name on it. So, at that time, I decided that I was going to just take that leap of faith in myself and start my own company.

Eleni Monios: [01:40](#) That's fascinating. So how did you find clients and carve a niche for yourself?

Karen Barbour: [01:46](#) When I was producing business for eight years prior, I had a developed 69 clients and I had been feeding 10 corporate surety markets. And so, I had about 17 years of experience before I started my business. And I had a name for myself, a good name, so it was easy for me to come and do that to my agency, because all of my clients followed me. So even though I've been in business for 17 years, some of my clients have been with me for 25 years.

Eleni Monios: [02:15](#) So the transition from corporate to entrepreneurial life can be tough for a lot of people, because it means that you have to wear so many hats and run every aspect of the business, like client management, financial management, HR, et cetera. What kind of mindset do you need to be in to succeed under that kind of pressure?

- Karen Barbour: [02:39](#) Being trained as an introvert really helped. It helped me, because I knew I could sit still for enough time to get through some administrative stuff that most small businesses hate to do. But what I realized is that you can't be everything to your company. The SBDC, the Small Business Development Center of Maryland, was a big help and they gave me books, like *E-Myth*, to show me that you should work on your business and not in your business. After a few reads of that book, it finally sunk in, and I hired people to help me out and I engaged consultants in the industry. Luckily, SBDC was there for me to help guide me in that right direction. And through networking and through getting involved with other businesses and friends and being involved in chambers—the old fashioned way of social networking—I was able to find the right people to guide me through those other processes. So, the mindset you need is one of survival, and you have to be a little fearless.
- Eleni Monios: [03:35](#) So fear is something we all face. How did you move forward as a business owner?
- Karen Barbour: [03:43](#) I guess I took the same approach as when I wanted to have a kid. There's never a right time, and you have to think, "Do I want to have a child? When do I want to have the child? How much money do I need to have the child?" And all of a sudden, the child comes, and it's like nothing is there that you had planned, and it's a blessing. I think at some point, you have to figure out there is no right time to start a business. I can make my own hours. I can be flexible with myself and I can still service my clients, and no one needs to know my personal life except me. If I handle it, I handle it, and if I need to tell my staff what's going on, I can, but it was so nice to be in the driver's seat. So, it's really never the right time, but it's always a good time when you do it.
- Eleni Monios: [04:26](#) We hear that from a lot of new entrepreneurs—that hiring is a major hurdle. How did you get through your struggles with building a team?
- Karen Barbour: [04:35](#) Well, first, you have to make sure you can cover payroll for that team that you want to have: your dream team. You have to get a bank line of credit. And I'm figuring, "OK, at most, my overhead should be about \$25,000 a month, if I have my dream team together. I need a bank line to at least cover that overhead for a month in case someone doesn't pay me timely." So, M&T was great. They gave me a \$25,000 line of credit, and that helped a lot. The other thing you have to do is you have to realize that, first of all, you have to be confident in your own abilities, and otherwise you're going to be too vulnerable when

you look to hire someone. I did hire some great people in the beginning, but I think I was ... You just can't be too nice. You have to go in with the CEO mentality. And again, you have to read books about what that mentality is and how that's going to work for you. And if you need to cut costs for your company, you're going to realize that means cutting back some employees.

Eleni Monios: [05:36](#)

So you would say, looking back, hiring and hiring the right people presented you with some of your toughest challenges.

Karen Barbour: [05:44](#)

Yeah. Because you want to like everybody, right? Everybody I interviewed, I liked. I thought they were going to be high energy, but they're not. They can disappoint you, and I'm sure I disappointed them. Everybody has different levels of expectations.

Eleni Monios: [05:58](#)

Karen, I'm curious, did you have any mentors? Anyone you went to for advice on making those tough calls, especially in the earlier years?

Karen Barbour: [06:08](#)

Women back then had a hard time finding mentors. But eventually, that situation changed, and I got into some women's groups where there were other women entrepreneurs. And we got to tell our stories, and what we said in the room stayed in the room. I'm very good friends with those women, and we've all got awards from the support that we've given each other, so we built each other up. So eventually, I did have mentors but in a different time frame.

Eleni Monios: [06:39](#)

Understood. Thank you. And certainly, at M&T, we want to be one of those trusted resources. Thanks for being here today, Karen. I'm Eleni Monios for M&T's Open For Business. Thank you for joining us.