

EPISODE 958

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[INTRODUCTION]

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FT: Welcome to So Money everybody, I'm your host, Farnoosh Torabi. Our guest today is Samantha Ettus. She's a renowned speaker, bestselling author, of five books and CEO and founder of Park Place Payments. Park Place is a women owned company fundamentally changing the lives of people seeking opportunities to reenter the workforce, it's also revolutionizing the payment processing industry at the same time. Samantha was on the show in 2015, just before her most recent book, *The Pie Life* was released.

She's a champion for women achieving their dreams and she's a mom herself, Harvard MBA. She believes that to do all the things, we need to let go of all of our guilt and our desire for perfection and enjoy the messy, bumpy ride. Sam and I talk about how she got the idea for Park Place Payments. The need its filling and how she was able to raise money, she has a great story about how when one door shuts, several more opened and it ended up helping her raise all the money that she needed to launch the business.

Here's Samantha Ettus.

[INTERVIEW]

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FT: Samantha Ettus, welcome back to So Money.

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SE: Thank you, it's so great to be back with you Farnoosh.

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FT: Yeah, it's been a few years, 2016 was when your book, *The Pie Life* came out and everybody check out that interview, we talked a lot about, well, you know, mastering it all as a working woman who happens to maybe also have children and family. It was also an interesting time in our culture and there was the Me Too movement that had just begun.

It was a really – I think timely moment to be talking about, as a woman, your role in the workplace and how to kind of be in control of that. Since that book, so much has transpired but what is most fascinating is you started a business, another business. Because you didn't have, I guess enough to do but – ah...

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SE: You know what, there were so many women that I ended up meeting through the book and I was talking to women around the country at all different levels of their careers and then there was this one group of women I was unable to help. And those were the women who left the workforce and wanted to get back in, or had taken some time off or some sort of reason for a lapse in their career and found that there were no opportunities.

And I was so frustrated by the fact that I couldn't help them. I thought, there has to be a better way and that was really the impetus for starting this company.

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FT: Park Place Payments. Tell us about the industry first. This is solving a problem in a pretty antiquated industry that not a lot of us know too much about. Just as consumers.

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SE: Well, yeah. I mean, I noticed that so many women were looking for flexible schedules or a side hustle or something that could do on their own time and work from home and make real money and so a lot of them ended up in I don't want to say — is a little bit like the ghetto of skin care and makeup. In the sense that we say to women, you can have part of the pie but as long as you stay in your lane which is clothing, skin care, makeup, essential oils and unfortunately, more than 95% of those women are losing money, not even making money at all.

I thought, why aren't these very qualified educated women selling a product that would actually lead to recurring revenue? I found one in credit card processing. This does two things for our sales force. One is that if they want to then reenter the corporate world, they have something on their resume that's better than a consultant for a makeup company like you know, the modern day Avon lady.

But the other thing is that it makes it so that — they're called an account executive at Park Place Payments. And then the other thing is that they're earning recurring revenue. The way it works is basically credit card processing, it's this industry that very few people know about but any business that accepts credit cards, whether it's a dentist office or a pet care grooming place or a hair salon or toy store.

Any business that accepts credit cards has this intermediary between MasterCard, Visa, Amex and the business. If you talk to business owners, they're very frustrated by the intermediary because they get typically poor service, they feel like they're getting robbed on the rates and they're just not happy with it. I saw this ability to enter the market with a sales force of people that were actually interested in helping small businesses grow and we're offering the most competitive rates in the industry and exceptional service.

So, what happens is, you know, we have account executives that are selling to their communities that they already have, their pediatrician, their hair salon, their book store. So the businesses in their community that they already have relationships with — those are their first clients.

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FT: It's quite empowering.

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SE: It really is because you know, I can – some of our first account executives, we launched officially last June, little over a year ago and some of our first account executives, they're now making very significant monthly checks but they also become part of the fabric of their community, they go to the chamber of commerce meetings and everyone knows them and they could walk you down main street and point to all of their clients whether it's the sunglass store or the antique shop.

Those people all know them as the local payments person and so, they become this person of authority in payments, we do all the training, one of the important things is that the people who are part of our sales force are former teachers and marketing executives and you know, business development people and office managers, people at all different with all different backgrounds that somehow have come to this.

And so for us, what we do, our promise to them is that we create all of their business proposals, we do all of the launching of the accounts, we ship the terminals, we do all the customer support. Really, all they have to do is prospect, you make the introductions and then present their proposals and that's pretty much it and then they can move on to their next sale.

Now, you know, when we first began, we were doing only in person training. And so I kind of piloted a guinea pig program in six different cities to make sure that it was possible to train this group of people that had had no prior experience and make them successful. I went to six cities, I trained 10 women and each of those cities and they've done phenomenally well but part of our sort of – the codified nature of our mission and all of our practices are based on those people.

One of them at the first training said, "Well, what happens if I die or get terminally ill, what happens to my residual income?" It was a great question for us to think about and so what we've now done is we've baked that into the contract that if something happens to them where

they can't – they can no longer work, their families will still get there recurring revenue for the lifetime of the accounts.

Because we really want this to be like life insurance for these women. I mean, for me, my personal goal is having this for profit company where thousands of women come out financially independent from our company. It's the most exciting thing I've ever been a part of and I mean, you know, people will say, you used to be on the chase all the time and writing books, this is so unsexy and I say, well, actually, women's financial independence is pretty much the sexiest thing I can imagine working on.

[0:08:29.5]

FT: Thank you. Amen. You have a Harvard MBA and also you went to Harvard undergrad, you are a business woman but still, starting something like this, where did you begin, how did you start? You have the seed of an idea, you were inspired by this industry that seemed to have a bit of a low barrier to entry. Well, maybe not, you tell me. How difficult was it to start given that maybe this was you know, uncharted territory for you.

You're writing books as you said and like, giving talks and now suddenly you're turning your attention to starting this business and credit card processing which is you know, who knows anything about that? How did you start? Where did you begin?

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SE: About three years ago was the first time I met with a payments company who could be our back end and I realized at the time I just wasn't ready to start this but I learned a lot and I spend a lot of time researching the industry and trying to figure out who the players were and where the opportunity lied.

And what I first did was there was kind of seven back end companies in this industry. You might have heard of some of them, First Data, Thesis, Elevon, Chase Payments Hack — so there are seven back ends and I chose Elevon as the company that would be our back end. They're owned by US bank, they won processor of the year in 2018, they're very reputable and so it

took a couple of months to get approved by them as one of their sales channels, sales partners and so once we were approved, then it was off to the races in terms of signing our account executives up.

Now, one thing that I noticed early on was I – because my expertise is more in, you know, mobilizing a force of women and motivating people and it's not obviously in payments because I had no background in that. I hired sort of what I call my A team of people around me to really – I mean, I've learned everything I can from them and so it's been very humbling but the fact that I have now a team with over 50 collective years of payments experience has really helped us enormously just sort of get to the next level really fast.

Now, I make that sound really easy. The tricky part in between is that there was no way I could afford to pay these people salaries and to poach them from these other payment companies without a significant amount of money. So I ended up raising a seed round of money I raised a million dollars, about six months ago, I closed my round and that allowed me to recruit incredible people. A lot of people said to me, why would you ever raise money for as payment processing company, there's so little capital involved, you know, the money comes in fast and furious, it's all recurring revenue but I felt that to build at the scale I wanted to build that like we hoped to have a thousand account executives.

We plan to have a thousand account executives by the end of next year – 200 by the end of this year, right now we have a 100. We felt that it was really important to scale quickly and so, I raised money and that process in itself was very – I would say, even though I knew a lot about it, it was definitely a shock to me in terms of what it entailed. I just did not expect it would be as difficult as it was. I thought it would be raising money from all women. I originally planned to raise money just from women investors and unfortunately, I quickly realized that women don't control money in this country.

Most of the women would say, even women I thought were powerful would say, I have to check which my husband and see what he thinks and very few of them were making –

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FT: I'm shocked by that. These are women who work marketing themselves as investors, that's their business.

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SE: I mean, well, to be fair, I mean, it was angel investors, right? It wasn't, I purposely didn't want the C money and the seed round because I felt that I'd be pressured to raise money again very soon and I don't know that I'll ever need to raise money again for this business. I just wanted to make sure that I had very seasoned angel investors but in going out to figure out who those women were, what I found is that women, A) even women who are wealthy and maybe invest in films or invest in a lot of other projects are not comfortable making investments and companies and a lot of –

I had to just work a little bit harder to get those women and people of color in my round. I'll tell you a story. I originally, I kind of raised it very fast originally and it was the day before spring break, I had all of my paper work out. I'd raised the money, it was like half men, half women, I was pretty happy with the group.

One of the men called me and he already verbally committed in person to me in my office after a three-hour meeting. He said, you know. I'm just concerned, I don't know if you have what it takes to be an entrepreneur. I said, what do you mean? He's like well, you have so many people counting on you in your life and really, what that meant was, you three children, how will you have time to be entrepreneur. I thought to myself, what would he be saying to a father of three who is an entrepreneur?

He probably be saying, I'm so glad that this guy has so many people counting on him, he's going to be hungrier. I immediately was just – you know, I went into saving mode, I'm going to save this guy and then suddenly I was like, I can't work with this guy.

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FT: No, good for you.

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SE: Like that in our rounds. But he was a quarter of the round and so, you know, we're on spring break and I'm chatting with my family and I basically turned my head and I am like, "I am so sorry I have to work the phones for the next four days like I cannot afford to not cover this. I have to figure this out." Now we ended spring break without me having to figure it out and the next week I was going to Mom 2.0, one of my favorite conferences and I realized I was going to be in Austin for three nights.

Which is kind of a long business trip for me and I thought I can't be in Austin and not at least focus on raising this money. I have to figure out who the angel investors in Austin were. So I went on LinkedIn and I looked up angel investors in Austin and I found this one woman that I grew up, I was a junior tennis player growing up and her name is Lakshmi Peruri and she was the first Indian-American on the pro-tour and she went to Stanford.

And I had not seen her since I was 15 years old and I just wrote her on LinkedIn and said, "Hey" it said angel investors, she was the first person that had come up and I said, "Hi Lakshmi I am going to be in Austin next week. I saw you are an angel investor. I have a company you might be interested in, I said let's have lunch," and so she said yes. We had lunch, at the end of the lunch she said, "Okay, I am in for \$50,000" and then we went to the next person.

She's like, "You have to meet this woman, she has three huge ophthalmology centers in Austin. She just started angel investing," so she invested and then she introduced me to another woman who has been at Wells Fargo for years. So I suddenly had this crew of Austin people that made up for that one guy who didn't believe in me and the round is so much stronger because of them and I really did end up with significantly more women and people of color because of that sort of fortuitous bump in the road I guess I should say.

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FT: That is an incredible story and speaking of women of color, did you see Tiffany Dufu's article about the struggle of raising a million dollars for her business venture? She wrote this — she journaled into the experience and one of the things that I took away from it that I really loved,

which you sort of echoed in your story here was having sponsors is so important when you are any professional but having people who especially when you are trying to raise money.

What that woman did for you essentially, your former tennis friend, she sponsored for you. She not only invested but then she took her interest in you and shared it with others and really pushed, paved the way for you in some ways and I don't know if you ever had the experience of someone passing on – well of course you did but you know someone saying I don't want to invest but let me think of some other people I can connect you to.

Tiffany actually advises against that. She's like you want your evangelists out there promoting your business and encouraging others. You don't want people who are like on the fence, offering to help you and I am just wondering what your take is on that.

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SE: You know I hadn't heard that theory but I appreciate it because I think the first question people will ask is, "Why aren't you investing?" But I am a big believer in meeting as many people as possible. I had one person who said to me, "I am not right now investing but I will introduce you to someone." She introduced me to a woman who came on really strong and just said, "I want to be the lead. I want to do this," and I have never met her before.

And she was texting me the other day and it turned out that she went around contacting like 10 other angels in Los Angeles with the terms of the deal and came back to me and said, "You know what? None of my friends think this is a good deal," and I was in shock because first of all she didn't fully know the terms of the deal. They were still negotiable because I was very early on dealing with this and she then spooked so many of the people in this industry in Los Angeles.

And I was really so devastated and I had never done this before. So I contacted the original person again and said, "Is this normal?" And she said, "Oh she is just a novice investor who came into a lot of money and she's just trying to come on strong in the scene and she has no idea what she's doing but that is not something she should ever have done." And it was like I – so a lot of it is realizing like you know right away like I should have known from that first text.

Which was way too personal and way too unprofessional that this probably wasn't my person but when you are raising money, you feel so desperate to just fill that pot and you forget that you actually do have power to choose who those people are and you're going to be in that relationship for a really long time and so it is like dating where you wouldn't just date anyone, you know even if you hadn't gone on a date in a year, you are not just going to say yes to anyone.

And that certainly wouldn't lead to the right partnership, it is the same thing here. You don't want to say yes to the first person just because they have money. You want to make sure it is smart money and so in the end, when I look at my investor list I am incredibly proud of it. Most of it was from cold calling and cold contacting and I still am a huge believer in that, like there is a lot of websites like angel list and other websites that lead you to people.

Like one of my investors is a guy who was a few years older than me at Harvard and he was kind of like the cool athlete. I didn't know him literally at all. I had a couple of friends in common with him and I saw him on angel list and I saw that he lived in Los Angeles and so I just cold contacted him and he became one of my investors. He came to my office, was like, "I really like this business. I don't know much about it but I am in."

And so I just think you want to take those chances and it is all about volume. So the more people you contact the better off you are in terms of having options.

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FT: Casting a wide net. Now earlier you mentioned how as you were on the brink of asking people for money, you knew it was going to be hard but it was so much more difficult and in hindsight, what do you think would have made it easier?

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SE: I think I was just a little bit naïve starting the process and it was also I just got to so much more confident over the course of time like I kind of look at the – I didn't get that far with many people who have said no, right? There are people who are like, "I don't invest in this space. I

don't do FinTech." You know I am not doing it, my fund if closed or I don't have any angel money right now, there were very few people who like really heard about the business.

And weren't interested and so for me, I think I ended the process so confident and if I had just a little more of that confidence in the beginning, it definitely would have helped things. I wouldn't have maybe went down the road with certain people who weren't right for me or I wouldn't have felt so desperate and in this position of having no power because it is just not true. You know at the end of the day, I believe in this business so much that I think everyone who invested in it is going to be incredibly thrilled with the outcome.

And I also think all the time about the people that I went really far with and ended up saying no. I think you know they are kind of my motivation sometimes to prove them wrong. I mean I am really thrilled and excited about the idea of one day showing them what a mistake they made.

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FT: I will hold you beer, okay? I will hold your champagne as you go do that.

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SE: My champagne glass, exactly. Yes, you'll be toasting with me.

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FT: When we met earlier this fall at a dinner and I was out chatting about this with you. I want to share this with the audience, I think it's fantastic that one of the other benefits, you are so humble, you didn't mention this but one of the other benefits that you provide your employees, some of them is actually having a stake in the company. Not everyone gets this but you shared a story about one of your elite team leads.

And how she came from another payment's processing company and it was a much different culture. So talk a little bit about the culture that you're trying to create and some of the

incentives in addition to the incentives of having the flexibility of this kind of work as someone who might have so much on their plate already.

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SE: So my goal is that every person who works full-time at park place has a part of the company. They own something and I feel like the reason that is so important to me is because when we have our big win in five years or 10 years, whatever it is, I want every single person who is part of it to really end up benefiting and one of my most important people here, my head of operations was the third employee at a big payments company.

And they had a win fall exit and she didn't own any of the company and part of my recruiting of her to come here was saying, "That will never happen to you here. I want you to be the big winner when you come here. I want this to be a life changing event for you." So part of my motivation every day is I have to make this company successful for them. I mean I worry more about their happiness and their financial situation in many ways than my own.

Because I feel like I promise them something. I brought them from other companies, I feel an enormous responsibility to the people on my team to be successful and that in many ways motivates me more than anything. In fact you know, one of the – a couple of people on my team have been trying to encourage me. Sometimes let's say I go to a doctor and then I recruit that doctor and that person becomes our account.

I have always given that to one of our account executives and it has taken me a while to understand that everyone in payments gets into a situation where there is in-house accounts and you don't split that with an account executive but I am so desperate for all of the account executives to be successful that I like to give away accounts to them because I want them to get to the four-figure a month check. To get to the five-figure a month check sooner rather than later.

So I think I feel like when they are successful, we're successful, we split everything 50% forever with our account executives. So we're all about reoccurring revenue. For example last month, one of our account executives closed a dentists in her town and it was a very profitable dentist

and so she gets \$250 a month based on that one account for the life of the account. So presumably we'll keep that account for a very long time.

And she continues to get paid on that every month and so it is really easy to build your portfolio in this business and the men who have been in this industry forever if they have been in their 10 years, 15 years — is not uncommon at all to be making seven figures in yearly reoccurring revenue so that even if they took the year off, they are still making their check and that is the beauty of this especially for people who need flexibility with their families or whatever is that if they take a month off over the summer to be with their kids, they are still getting the residual income every month.

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FT: Well, I am sure anyone listening is intrigued and if you can give us some directions as far as where people can go to learn more, to opt in, what is the best path?

[0:25:29.8]

SE: Sure, so we now have online training. It is called Park Place Academy and Park Place Academy cost \$390 and when you train in Park Place Academy, you are basically signing up for the entire program, which means that you will have a team doing all of your business proposals, all of the number crunching, training you. Every week we have ongoing training for all of our account executives for an hour every Wednesday.

We have a resource centre, we buy business cards for each of our account executives. We will sometimes be on the phone with them if they have an important meeting with an account and they are nervous. We hand hold them through all of their first 20 sales. So we are committed to each of these people being successful. If they sell just one account, they more than make up for the cost of academy.

So all they do is go to parkplacepayments.com and immediately when they sign up, they will get a phone call from one of us and it is off to the races. We take each of them, each of our account executives we train individually on the phone when we launch them in addition to Park Place

Academy because we feel like if we don't launch them successfully then our company is not successful. So we are very invested in the success of each of our account executives.

[0:26:43.3]

FT: Samantha Ettus, it is so nice to reconnect. Thank you so much for coming on and for this incredible gift you are putting out in the world. You are one of the few people out there that actually like – you do what you say and you say what you do and you do big things and it is always inspiring to see you grow. So thank you so much.

[0:27:04.5]

SE: Farnoosh, thank you so much and by the way, I mean I respect and adore you so much. I would also love to offer any of your listeners a special code, I'll create it. That will be, the code will be "Farnoosh" and they will get a \$100 off of Park Place Academy.

[0:27:20.5]

FT: Oh wow, that's incredible. We'll put that on the site as well. We'll have all the links in case you people were not able to write it all down but Sam, thank you so much and wishing you and your family a great rest of the year.

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SE: Thank you. Thanks so much for having me.

[END]