



How Carolyn Rodz Is Connecting Entrepreneurs with Opportunities

Her own leap from investment banking to entrepreneurship inspired Hello Alice, a free platform that helps businesses learn and grow. Carolyn shares her roadmaps for entrepreneurs, and the source of her own eternal optimism.

Alicia Menendez:

If you're a small business owner, who do you turn to for support and guidance? How do you figure out your path? That is the need that inspired Carolyn Rodz to cofound Hello Alice, a company that connects entrepreneurs with opportunities to help them launch and grow their businesses. Carolyn knows all about being a first-time entrepreneur. And, we dive into the difference between vision and execution. And, how the pandemic was a make-or-break moment for her big idea.

Carolyn, I am catching you in a big moment because as I understand it, you've just raised \$21 million in Series B funding.

Carolyn Rodz: Yes!

Menendez: It's a lot of money.

Rodz: I know it's kind of crazy to think about it. Um, particularly given that we were so oversubscribed for this round, uh, which is a big change, particularly for, uh, as, you know, a woman-owned business and a Latina-owned business, just a really crazy experience. Um, but I think a real testament to our team and, and frankly, to the story of small business owners, everybody doubted what we were setting out to do for so long. And it was a great mission that we were trying to tackle. And we kept saying there is a great business here that the new majority of business owners is a great source of revenue and a great business opportunity.

Menendez: What was the problem that you identified that you were setting out to solve?

Rodz: I always say I'm building what I wish I would have had when I started my first business. I left investment banking, had a great but brief career there. And after four years I decided I wanted to try something new. And so I jumped blindly into entrepreneurship. I came from a very entrepreneurial family. I'd seen my grandparents run a business in Bolivia. I'd seen my father run a business in the states and both of those experiences really shaped how I viewed entrepreneurship. And when I got out there on my own, I realized there's so much that I didn't know. I knew the business I was trying to run. I had no idea what entrepreneurship really meant. And that company failed. Uh, I did it again and really studied and learned. I realized most people don't have the opportunity to start over. And both of those experiences really shaped how and why we created Hello Alice.

But ultimately the goal is how do we build the path for small business owners that everybody else gets in their careers, right? If you were in investment banking, there's a very clear path of promotions and a journey that's sort of laid out for you. If you're a dentist, if you're a lawyer, all of these career paths have a really clear kind of start and end. For entrepreneurs it is the wild west. Where are you going? And how do you decide are you on the right path? Or are you not, are you growing? Are you not? And Hello Alice is setting out to solve that problem.

Menendez: I think that's particularly relevant for Latinas beyond the fact that we are one of the most entrepreneurial groups in the country. The number of small businesses owned and operated by Latinas is huge. It's a large part of where you see small business growth. It's that so many of the women I talked to on this podcast grew up being told they either needed to become doctors or lawyers. And that's because there was safety in the idea of being a doctor or a lawyer, especially if you have immigrant parents, this idea of like, there is a path and you will get on the path and there will be a pot of gold at the end of that rainbow, as opposed to something like entrepreneurship, where there may be that pot of gold but we are not clear about how you're going to get from here to there.

Rodz: Interestingly, my parents told me very similarly I could study finance or I could study accounting when I went to college and they were so excited when I became an investment banker, it was a great career. It seemed very successful on the outside. It wasn't for me, it wasn't, I didn't enjoy it. I didn't experience the highs that many of my coworkers got when we closed the deal. There was nothing that really excited me.

Menendez: You didn't feel it.

Rodz: I didn't feel it. And when I decided to start my own business, you know, my father — again, as an entrepreneur, right, I'd seen the highs and lows that he'd experienced — couldn't have been more supportive. He actually was very, very helpful, very supportive from just an emotional standpoint. My mother — I think, you know, it, it certainly wouldn't have been the path that she would've chosen — was incredibly helpful in terms of helping me. I mean, she showed up at trade shows with me and she helped me pack boxes and really got into the weeds of execution with me. But I think there was great fear from her that I was letting go of this safety net and jumping into a path that was really unsure.

Menendez: The first business, that was a stationery business?

Rodz: So it was a luxury home and gift line. We had things like gift wrap and fragrance collections and stationery, all sorts of products that we sold into boutique gift stores and big box retailers.

Menendez: When you say that there were things you jumped into entrepreneurship and there were things you didn't know, what were the things you didn't know?

Rodz: I've always been more of a visionary. I can live my life. I think six months to a year ahead, always it's both a blessing and a curse. I really understood the growth of the business and what it could become. I had no idea of really where I needed to focus my time and energy. I can get really lost in the details.

And so we had beautiful packaging and amazing branding. And, you know, the first trade show I did, I was at the national stationery show and had the worst booth in the back of the thing. I was like, no, one's going to find this back here. And we started getting these

buyers, like the buyer from Bloomingdale's and the buyer from Neiman Marcus and all these people showing up. I'm like, how did you even find me back here? And they were coming like as a destination to our booth. And I'm like, they're like, oh, we've been hearing about you and you won best new product. I had no idea because I hadn't been to the front, I was like in my back corner the whole time. They were beautiful products. What I really missed the boat on was inventory management, how to make sure that we were getting repeat business, how to train salespeople to move things off the shelves, like the real fundamentals of the business that I just didn't know. To me, I was like, if I keep selling these, obviously the goal is just to sell, sell, sell. I missed some basics about recurring business and scalability and just cashflow management. And ultimately couldn't facilitate both, you know, the cost of just living my life while I grew this business and the cost of actually having to reinvest into the company.

Menendez: That sounds like something I would struggle with if I were running a business.

Rodz: What was so hard is that everything seemed to be going well, right. You're sitting there and you're like, oh, you could walk into Harrods and see my products and that feels like a great success as an entrepreneur. Well, you know, I never really thought about the, the amount of capital that it takes to grow inventory. The bigger the sales would come, I'm fronting the cash to get these things manufactured. And I was one person with a few contractors helping me out. I was literally the human that was packing every box that was writing every thank you note, that was showing up to every trade show, working insane hours. I always laugh that people talk about investment bankers working such crazy hours. And I'm like, that is nothing compared to starting a business.

I just didn't see the writing on the wall fast enough, because I was so caught up in execution. Ultimately, after two years I realized it had run its course but I never once considered getting a bank loan, I never once considered bringing in outside capital, I just didn't even know that was done at a company my size.

Menendez: Let's talk about that because if anyone should have known theoretically, it should have been the former investment banker.

Rodz: Right, how ironic. Maybe that's why I wasn't a great investment banker. In investment banking, I was working with companies. I mean, we started with companies that were 200 million and up in revenues. My little company that, you know, started at zero and, you know, surpassed the million-dollar mark, but not by a long shot in our first year or two. It didn't seem like there were any resources out there. And I think in hindsight, I will say that the failure of that company and the closure of that company was probably the hardest thing I've ever done in my career and emotionally, I would say one of the lowest points of my life.

Menendez: No, but to take a risk and then not feel like you can point to it as an objective success. That's hard.

Rodz: Yeah, You throw everything into this business, right? And you go from this place in your career where I was making good money. I had a lovely home. I had, you know, I was getting to go out with my friends on the weekends and do all these things to a place where I couldn't afford to go to dinner with my friends. I couldn't afford to ever go on vacation. I remember I like accidentally spilled bleach on my sheets one day and had like this big hole on my sheets and I was crying cause I'm like, I literally cannot afford to buy

new sheets right now. I had to get like peanut butter and jelly sandwiches to feed myself because I don't know how I'm gonna make my mortgage payment that's coming up. I mean it was a really, really stressful time. And I, I was embarrassed about it. I'd gone from having this, you know, independence and stability and everything that I'd worked for my whole life. I'd never really failed at something that I'd put all of my energy towards to literally, you know, having bill collectors calling me.

And I didn't tell my parents, I didn't tell any of my friends. I was really trying to figure out how can I pick up the pieces here and patch this back together. But I learned a ton about myself and I realized, look, rock bottom is you can recover from it and you can get past it and you can figure it out. It's all fixable. I think one of the greatest lessons I've ever learned.

Menendez: Hello Alice is described as a free multi-channel platform powered by AI technology that guides business owners by providing access to funding, networks, and services — break down for me what that looks like for a business owner who's using your platform.

Rodz: Yeah. Hello Alice is a passport through entrepreneurship. It is the guide to what's next for your business, what's relevant to you, and what resources do you need to accomplish that next milestone? The idea is that the journey, and I think what I learned through running two companies, very different businesses, very different industries, same human — it's very, very different, depending on what you're working towards. The milestones are essentially the same, right? In every company you've got to set up your business entity and every company you've got to hire that first employee, in every company, you've got to put together a business plan. But what that looks like is very different - if you are a manufacturing company or a tech company, or if you live in Texas or you live in California or you live in New York.

And so what we really wanted to do is how can we mimic the real world experience that we have with mentors and advisors in this incredible circle that, you know, the people who are sort of in the know have always had access to, how do we take that experience and mimic it in a very scalable and technology-driven way?

And also finding the right mentor is very difficult and time-consuming. And so if you think about when you're having a conversation with somebody in the offline world, they're getting to know you, they're getting to know who you are, they're getting to know where are you in your business and what stage are you at? And then they're making recommendations about what you need to go accomplish, whatever it is that you're struggling with. So we've taken that and said, okay, if we can understand who you are, what resources are available for you and how do we make that match very efficiently. Imagine the opportunities that that can open up for every single entrepreneur out there.

Cause I'm always shocked that in this world of innovation and entrepreneurship, and, you know, even when you look at sort of Silicon Valley and New York and like these real tech hubs, it is so antiquated in terms of the way information moves, everything is through word of mouth, everything is about who, you know, and it makes no sense. I'm like, surely I struggled really I was like, has nobody figured this out? I guess nobody tackled this.

Menendez: It's incredible.

Rodz: And so we set out to fix that.

Menendez: So then the pandemic hits and does that say to you, oh no, we're so screwed. Or does that say to you, thank God we exist. This is an incredible opportunity to task our entire hypothesis.

Rodz: You know, I think one of the things that really sets entrepreneurs apart and the people that, that really choose it as a career path versus choose it as kind of a stepping stone, is when you're faced with an obstacle, do you relentlessly figure out a way around it or do you get overwhelmed and freeze? And I think we all know which personality we fall into.

When the pandemic hit, we had actually set our whole marketing program for 2020. It was based around in-person events. Our launch was supposed to be at South by Southwest, you know, a week, I think before south by Southwest was supposed to happen, it got canceled. So we had spent, and for us, I mean, hundreds of thousands of dollars was a massive piece of our budget.

Menendez: Nooo.

Rodz: And it just, you know, very quickly, every kind of day by day, it was really apparent that it is like shelter in place is happening, and no, you're not going to go engage with business owners on the ground and do this grassroots thing outside of South by Southwest. So I ended up going to Austin simply to pick up the remnants of, of our experience that we could salvage and perhaps repurpose. But most of it just was gone. Once we knew it really wasn't going to happen, the money was awash. There was nothing we could do about it. We said alright, we've got to help these business owners. And we simultaneously kind of went on two tracks. One was we've got to skinny down as much as we can to get lean because we don't know what this next year is going to bring to us as a business. And so we made some really tough layoffs. We let our leases go. We let our offices go. We did everything we could do to just work down the budget. I think if there is a hard thing that you have to do as a founder, it is letting an employee go. I don't wish that experience on anyone. And if there's one thing that gives me anxiety and keeps me up at night for weeks and months before and after it is that.

The second thing was how do we get out there and support these owners? So we set up a grants program that were emergency grants for, for the pandemic, got it up and running in a matter of weeks, we set up a small business resource center around COVID-19 about how to shelter in place, everything from, you know, again, how to terminate employees, how to close your business down, if you needed to, how to make sure you had, you know, PPE set up and where to get it. It was every detail that these owners needed, how to navigate PPP loans and EADL loans. And let's just focus on that and see where it takes us. And it, it paid off in spades for us as a business.

Menendez: Forgive me. But explain to me how that paid off for you?

Rodz: We grew certainly as a community, uh, we had over a thousand, 1100% year over year growth with the business owners that we supported. We were able to deploy over \$20 million in grant funding out to small business owners, we built, you know, enterprise relationships that we had been, you know, moving along slowly with all of a sudden, obviously small business was at the forefront and we were out there boots on the ground, doing things and all of these communities. All of a sudden like, you know, the phone lines lit up and everybody was calling to say, how do we help? What can we do? You know, we want to talk. And those relationships have evolved into multi-year commitments and

multi-year relationships that we have. And so it really, you know, brought everybody together in a way of, I think what we needed to do for business owners was just so clear, but also became really clear to everybody around us. We, I feel like we've been sort of preaching to this void for a long time. All of a sudden people were like, there is a massive need and gap and an opportunity here.

Menendez: Wow. Talk about finding opportunity in an otherwise incredibly challenging situation.

Rodz: What I'm excited about I think that's emerging out of this pandemic is everybody recognized, small business owners play a massive role in our communities. We all noticed it when restaurants shut down and when we couldn't go down the street to pick up whatever we needed and everything was, everything was just a little bit more difficult. We realized that it does personally impact us in these communities. These businesses play a role in helping us just day-to-day get done the things that we need to do.

Menendez: I have to say, I love that you're in Houston. Like I love any time that we talk with someone who's doing something really big and interesting who's not in New York or in Silicon Valley because I think this is where things are headed. The disadvantages are clear, right? Like I'm sure in pre-pandemic times there were a lot of getting on planes for you that otherwise would have been like short drives to places. What are the advantages though, to your being in Houston?

Rodz: The one reason that was most compelling to stay put was this is where our market is, like, these are the business owners that we are supporting and there's over 150,000 small businesses in Houston alone. The middle of the country is who we're trying to get to. There is a lot of infrastructure and a lot of resources on growth companies in the bay area already and we don't want to compete against these accelerator programs. It's very different if you're in rural Idaho and you're trying to build your business in this small town and where do you go? There is no SBA center down the street, there is no, you know, accelerator program that you can join. And so that is a huge part of what we're trying to solve for. What we found was that, even for people in the big cities, the accelerator program is accepting 25 people. What happens to the other, you know, 149,975 people that need support out there? And so there's a huge market there.

Menendez: Your Twitter bio says that you're an eternal optimist. When has it been hardest for you to be optimistic?

Rodz: I would say it's just like ingrained in me. I will always look for the silver lining even at the lowest of lows because it helps me, frankly, get through those lows. And it's just probably more of a survival mechanism, more than anything else. I think I've held really true to my optimism because I really think that if you are, if you are looking for solutions always, and you're looking for a better way -- like nothing is permanent in this life, right, if we're in a situation that we don't like -- there's always something you can do to change that. And it's up to us ultimately to, to find the pieces and patch the things together that we need to change that. As long as I have my health and as long as I have my independence, I get to control kind of where I'm going and what's happening around me. And if I don't like it, it's up to me to change it.

I think that's a very like Latina way of seeing the world, like we are a very resilient and optimistic culture by nature. We aren't ones to sort of dwell on the negative. And if anything, I think we'll probably just ignore the negative and proceed along sort of the

happy path. Um, but I think that's part of being an entrepreneur, right? You have to have that optimism or the nose or if the closed doors are just going to tear you down.

Menendez: Natalia Oberti Noguera, who you've probably crossed paths with somewhere in this journey has a great way of putting it, which is that it is not about not taking no for an answer. It's about looking for the right yes. And that you actually want to find people who share your vision and who you click with, because those will be the best partners for you.

Rodz: I love that. It's a great way to say it. And I think if you're always looking at what did you learn from those slammed doors and what did you learn from those nos? It does. It puts you a lot closer to, to the yeses and, and All you need is one yes. I would say it's sort of like, it's like, you know, dating, right. You're gonna probably date a lot of people and with every one of those relationships, you're going to learn something along the way, and at the end of the day, most people are looking for the one. You just need to find the match, and I think that's a lot of what we're building for our small personal business owners. Look, not every opportunity is not relevant to you and we're going to be a more efficient way for you to find your yes.

Menendez: I love it. Carolyn, thank you so much for your time.

Rodz: Thank you. This is so fun. It's always fun to kind of walk down memory lane too, of, of how we started and ended up here. So, thank you.

Menendez: And I just keep thinking of you at that trade show, just in the corner. You've come a long way, baby.

Menendez: Thanks for listening. Latina to Latina is executive produced and owned by Juleyka Lantigua-Williams and me, Alicia Menendez. Sarah McClure and Paulina Velasco are our senior producers. Our lead producer is Cedric Wilson. Kojin Tashiro is our associate sound designer. Stephen Colón mixed this episode. Manuela Bedoya is our social media editor and ad ops lead. We love hearing from you. Email us at hola@latinatolatina.com, slide into our DMs on Instagram, or tweet at us @LatinaToLatina. Remember to subscribe or follow us on RadioPublic, Apple Podcasts, Google Podcasts, Goodpods, wherever you're listening right now. Remember every time you share the podcast or leave a review, you help us to grow as a community.

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