

# Mother of Invention

What began as an expectant mom's home-based business idea has exploded into the multimillion-dollar **CableOrganizer.com**.

by Joanne Eglash



Eight-months pregnant with her first child, Valerie Holstein began the task of baby-proofing her home. The most frustrating challenge: What to do with all those unwieldy cables, wiring and connections to and from her office equipment. Her husband, Paul, worked with her in trying to find a solution, but nothing on the market seemed to answer the need. They decided to experiment with creating a homegrown remedy using Velcro strips, cable ties and a wire loom kit.

Fast-forward to today: Baby Emma recently turned 6 and has a 4-year-old sister named Mallory. As for that little home-based business, it has grown also, logging revenue in excess of \$13 million, with 2009 projections of \$15.2 million. The product line has expanded, too, now spanning industrial, automotive, network, aerospace and military segments, and the company became an electrical distributor last year, as well. With almost 50 employees, CableOrganizer.com has expanded into four office suites with an additional 16,000 square feet of warehouse space. At the helm is Valerie as CEO, with Paul serving as COO.

So how did the mom-and-pop morph into a multimillion-dollar business? After creating a solution to a problem, the Holsteins strategically utilized their limited resources. That initial \$30 investment went toward registering the obvious Web site name, CableOrganizer.com. The Holsteins capitalized on their expertise—hers in graphic and Web design and his as a CPA working in the tech industry—as they sought inexpensive online business resources, such as free Web hosting and a revenue sharing system with PayPal in exchange for her online shopping cart system.

Paul also took care of the back-office work while teaching Valerie to handle it on her own. "When we first started out, the entire business was run from our home garage, and I was the sole employee," she recalls. "Every day I juggled all the facets of the business with new motherhood—managing phone calls between feedings, maintaining inventory, packing orders, making daily post office runs, meeting with vendors and balancing the books at night."

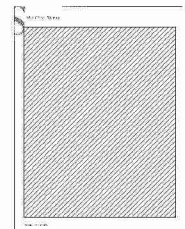
She now admits running her own business took far more effort than she anticipated. "The amount of time required for accounting, shipping and customer service took me completely by surprise," she says.

How did she overcome the challenges? "Elbow grease," she says, plus continued attention to learning as much as possible from her husband and other business strategists, through business and management classes, trade and business publications, and reading



When their cable organizers worked, the Holsteins knew they had a solution—to more than one dilemma, in fact. Valerie also had been looking for an idea for a home-based business that would allow her more freedom to care for the new baby. So with an initial investment of about \$30, they launched their new business, a Web site called CableOrganizer.com where they would sell products to organize cables. They started by selling the very same three items they used to baby-proof their own computer cables.

**"Nowadays, change is not a luxury, but rather a necessity."**



**Momprenuer**  
 Holstein started CableOrganizer.com as a way to spend more time with her family. Opposite, with her 4-year-old daughter Mallory.



## Organization Accomplished

### Valerie Holstein's Success Strategies

- **Research the market.** Holstein conducted thorough market research to assess whether there was a demand for the products she envisioned.
- **Apply the elbow grease.** "In the beginning, you'll probably find yourself working around the clock to get things off the ground. It can be very rewarding to be your own boss, but keep in mind that the big payoff can be a long time in coming, and generally takes a breathtaking amount of time and effort to achieve."
- **Spend wisely.** Be frugal, but make sure to stay competitive with adequate staffing and technology.
- **Stay at the cutting edge.** Invest in continuing education for yourself and your employees to stay abreast of the market, your competition and trends in your industry.
- **Enjoy the moment.** You don't have to wait to be standing on a stage accepting a big award; celebrate all your wins and the incremental goals you've reached along the way.

about other great businesspeople throughout history to learn how they handled challenges in their companies.

Along the way, Valerie realized the importance of building relationships. Despite her initial assumption that vendors would be eager to sell their products through any channel available to them, she found many of them were wary of selling online. "A large part of my job is demystifying the dot-com to manufacturers who are hesitant to grant distributorship to an Internet-based retailer," she says. "In order to land distribution rights to many of the major product lines we carry, I've had to invest a lot of time into cultivating rapport with the upper management of those companies and convincing them of the benefits of selling through our Web site."

Some early successes helped fuel the Holsteins. "A great memory from the early days of the company is the first time that Boeing placed an order with us," Valerie recalls. "The order came in on Christmas Day of 2002, only 10 months into our journey, and really helped us to recognize the potential that lay in CableOrganizer.com."

As the company grew, so did competition and the need for additional employees such as marketing specialists, analysts, writers and Web designers who could deliver a higher-quality Web site. In addition to talent, Valerie focused on hiring employees who would be a good fit for the work environment and company culture. "While many people have what it takes to do a job, it's harder to come by someone who possesses both ability and a compatible personality/attitude," Valerie says. "The last thing we want to do is hire an individual who may drag down everyone else or otherwise lower morale."

As in the beginning, when they bartered and sought freebies to get the business off the ground, Valerie says they have remained thrifty and conservative. "I try to save every penny for future investments in

the company and to be ready for a rainy day. I believe in planning and Plan Bs. I try to leave as little as possible out of my control. If competition is lurking, I react; I keep a very close eye on the competition."

And the game of staying ahead never ends. "Nowadays, change is not a luxury, but rather a necessity. We try to be proactive rather than reactive, especially in our business strategies and our budgets," Valerie says. "We invest in continuing education to keep everyone in the company on the cutting edge of both our industry and their respective fields. I also watch our competitors like a hawk to gauge industry changes and market trends."

Despite early successes, Valerie admits it took years before she finally felt the company was a success. That moment happened in 2007 when she was a finalist for the Stevie Award for Women in Business. "As I stood on that stage in New York, in front of a group of such accomplished and exceptional peers, I not only felt like I was going to fall over from shock, but I also had the sense, for the very first time, that I had actually made it. It's amazing how a single moment can become the ultimate payoff for years of hard work." **S**