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Client: Resource Link

# Dallas Business Journal

## EnterpriseZone

For the next generation of great companies



**MANAGING IT RIGHT:** David Baker, founder of Apex Capital LP, credits business coach Lori Link of Resource Link with teaching him how to hire, manage and keep good employees.

### IDEAS IN ACTION

## Entrepreneurial epiphany

**APEX CAPITAL LP FOUNDER DAVID BAKER KNEW SOMETHING NEEDED TO CHANGE; HE JUST DIDN'T KNOW IT WAS HIM**

BY DAN SCOTT | [COMMENTS](#)

#### BIGGEST PROBLEM

Like many entrepreneurs, David Baker of Apex Capital LP found it difficult to delegate responsibilities and manage employees as his company grew. A business coach helped him learn how to hire employees he could trust.

Five years ago, the so-called "pass theory" was one of the few things not working for entrepreneur David Baker. The company he founded in 1998, Apex Capital LP, was profitable and growing at an annual rate of about 40%. Yet Baker felt things could be better. He wasn't satisfied and sensed his employees weren't either—as was those who had stuck around. The intense atmosphere at the fast-moving firm had driven plenty of workers out the door. Apex Capital LP is a "factoring" company; it buys the accounts receivables of trucking companies, then collects the debts owed. In 2004, Apex had an employee turnover rate of 24%. The year before, an astounding 76% of its work force had come and gone.

Baker came to realize it was due to his pass theory strategy: throwing things against the wall and hope they stick. In the case of Apex Capital, the "things" were people. "We would bring people in and hope for the best," Baker said. "In a small business environment, you can't have people who don't perform. I learned that the pass theory doesn't work." The employee turnover problem aggravated some of the other issues Baker was having at Apex. His failure at hiring the right people, and keeping good employees, made it impossible for Baker to build a senior management team on which he could rely. This meant loss of long hours and no vacations for him, and it added up to a general feeling of frustration and dissatisfaction for all involved.

Baker realized he needed advice, but didn't know who to turn to. "You can't really get the candid you need from someone you work with or who works for you," he said. "I knew I needed a mentor or a coach to offer me some perspective on myself and the company." Baker went online and eventually found Lori Link, a former human resources executive who now runs Dallas-based Resource Link. After a series of questionnaires, surveys and discussions with Link, Baker began to understand the importance of effectively communicating with employees. He also learned that his hard-driving, man-of-the-people style could limit his workers. Baker says he knew something needed to change—he just didn't know it was him. "To David's credit, he was very

## Three-way mirror

If you rely solely on your company's income statements for a financial review, you're operating with partial information and, perhaps, a false sense of security.



**MANAGEMENT MATTERS**  
Alysa G. Monte

The income statement is just one of three reports included in a complete financial review. The other two documents, often the given equal attention, are the cash flow statement and balance sheet. All three tell a different story about the financial health of your business. The income statement shows net income—for the reporting period—by stacking your revenues less the cost of operations. It answers the critical question: Are you profitable? This report will let you know if you made a million dollars. However, it won't reveal why you only have \$50,000 in the bank. The cash flow statement summarizes if operating income was received, retained and how it may have been used within the reporting period. This is critical information about the short-term viability of your business. If your business is profitable, is the profit liquid, in cash for example, or is it illiquid, tied up in inventory? Have you been able to pay all expenses during the reporting period or are you increasingly delinquent? Understanding this report can help you avoid an unexpected cash-flow crunch that could interfere with operating your business, your expansion plans or other matters. The balance sheet is a snapshot of your liquidity and asset base. How much cash do you have on hand and how much are you owed? This summary of your assets and liabilities is the only report that provides a view of your business as a single point in time. To get a reliable, useful and consistent assessment of the health of your business, all three reports must be created and reviewed in a timely manner. Reporting should be completed in no more than 10 to 15 days. In some professions, these reports may not be available for as many as 60 days. This delay, and the inability to see real-time financial data, can be paralyzing to the decision-making process. Reviewing this information and reviewing all three financial reports at the end of each reporting period allows you to better allocate your resources and make better decisions when planning for the future.

**MANAGEMENT MATTERS** is the Dallas executive journal of *Washnet* and *Fortune* LLP. Contact her at [alymonte@washnet.com](mailto:alymonte@washnet.com).

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## APEX: Getting it

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open to the whole process," says Link, a certified business coach who works with both entrepreneurs and corporate executives. "Like a lot of the successful people I work with, David can get very focused."

Baker says Link got him to understand what motivates him and what makes him tick. More important, she helped him understand that everyone "ticks" a little differently — and that those differences make certain people well suited for particular jobs.

### Operational overhaul

Together, Baker and Link set about to overhaul the hiring and training procedures at Apex Capital. Now, prospective employees are given a customized questionnaire. New hires attend a half-day workshop given by Link on how to communicate with different behavioral styles.

"Those half-days pay off in spades, big time," Baker said.

Indeed, the entire coaching partnership appears to be paying off for Apex.

In 2006, the same business that at one time could hardly keep a new employee, was named one of the 60 best companies to work for by *Texas Monthly* magazine. Company benchmarks show productivity has improved and client retention has significantly increased. Staffers feel more empowered and are confident in making decisions themselves.

Link says the struggles Baker faced are not unusual for entrepreneurs. Adding employees means not only delegating responsibility, but also managing those people.

Baker launched Apex in 1985 with little more than a table, a telephone and a used Dell computer he bought at an auction.

The company acquired \$500 million in receivables last year.

SCOTT is a Midlothian-based freelance writer.

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### FACTORING FOR SUCCESS

**NAME:** Apex Capital LP  
**BUSINESS:** Financing and factoring for transportation companies  
**HEADQUARTERS:** 6000 Western Place, Ste. 1000, Fort Worth 76107  
**OWNERSHIP:** Private  
**TOP EXECUTIVE:** David Baker  
**EMPLOYEES:** 98  
**ANNUAL REVENUE:** \$20 million (2007)  
**PHONE:** 817-332-7300  
**WEB:** [www.apexcapitalcorp.com](http://www.apexcapitalcorp.com)

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