

Kathy Hall

The Power of Information

The summer before she left for college, Kathy Hall got some bad news about her part-time job. For several years, she'd worked as a dispatcher at a local refrigerator repair company. Customers would call Kathy, she would call a repairman in the area and send him to the customer, the repairman would fix the refrigerator, and Kathy would sit doing homework as she waited for the next call. It was an ideal arrangement; she worked after school, every day from 3:00 to 6:00 PM, had time to focus on her studies, and enjoyed the job. Unfortunately, the owner informed her, the business was going under.

For most kids, this setback would have been the end of the road for the dispatch job. Kathy easily could've looked for another low-commitment part-time job in the area that summer. But fate intervened; within a couple of days, two or three of the refrigerator technicians had asked her an intriguing question: could she stay on as their dispatcher? Could she do the same job from her home? Rather than saying "that's crazy", Kathy thought, "why not?"

Soon, teenage Kathy was running her own dispatch business out of her parents' house. She charged each of the technicians a flat rate, and the money she made was, of course, far better than the meager hourly wage she'd earned prior. The experience was a formative one, and its lessons stuck with her later in her professional career. "That was my first entrepreneurial moment," affirms Kathy, "It was the first moment where I thought, I can make my own reality. My worldview went from 'I'll take whatever's out there', to 'I can create my world.' That was something that I think really informed me when, later in my life, I quit a perfectly good job to start my own business."

Today that business, PetroChem Wire (PCW), is thriving as a subsidiary of OPIS by IHS

Markit. Kathy made the decision to sell PCW to OPIS (Oil Price Information Service) after ten years of successfully growing her company as the CEO, even through the economic downturn that shuttered so many small businesses. At the time of its sale in 2018, PCW was making over \$1 million in annual revenue from subscriptions to its array of newsletters, which began as a single daily report available for \$2,000 a year. Kathy attributes this success to her appreciation for the value of information. "I've been drawn to information my

whole life, I believe that life is information," she explains, "information and misinformation cause world events, wars, they create beliefs. As a young person I discovered I was drawn to financial information. So being a responsible gatherer and packager and presenter of information to the financial community is what I've devoted my professional life to."

PCW is a well-respected commodity chemical markets newsletter, subscribed to by myriad

higher-ups at multi-national firms, from banks, to oil companies, to plastic manufacturers, to household brands. Kathy and her team assess the prices of commodities like crude oil, natural gas, plastics, and chemicals, and, through their many contacts in the industry, provide up-to-the-minute news about any relevant developments. "I can tell you the price of plastic every single day," asserts Kathy, "and the factors that are influencing those prices. Right now there's a railcar issue in the whole country, certain railyards are clogged with railcars. That's hampering the price of everything, because shipping is difficult right now. So that's the information I'm distilling for hedge fund managers, risk managers, government agencies, retailers, food and beverage chains, all so they can make these giant decisions of, 'we're going to take a \$2 million risk position and go short on plastics for the second half of the year.'"



Information, as a business, is generally recession-proof, because Kathy's clients need access to the information in her newsletter during both good times and bad. "In the big picture, this is about risk management," explains Kathy. "This is about the biggest investment banks in the world helping manufacturers manage risk on electricity, water, real estate, plastics, oil, natural gas. The price of oil, you can see that on television, it's not a mystery. But we do a daily commodity appraisal for chemicals that are part of a formula for their bottom line. It's not just natural gas, it's these very specialized little chemicals that they're making. Twenty years ago, you could ask the price of these chemicals, and people would tell you, it depends who you ask. Now, it doesn't depend who you ask. Read my newsletter, and I'll tell you."

So how do Kathy and her team stay so abreast of the markets and industry news? Hard work, and relationships. PCW boasted 12 employees at the time of its sale, and all of them were brought onboard with an eye to leveraging their professional contacts. In fact, with only one exception, everyone at PCW was older than Kathy herself; she tended to hire experts with decades of experience under their belts. Kathy herself has close contacts at each of the top 20 petrochemical and plastics companies. "Because of those relationships, built up over many years, I can call a person I know at a major oil company or petrochemical company and ask them directly, what is happening," Kathy confirms, "let's say there's a hurricane, and everyone is speculating about a plant catching on fire. I can talk to someone anonymously who will give me the real story — maybe the building isn't really on fire, it's a warehouse. Maybe it was just smoke. But then I present that information in a way that's not sensational or alarming, just 100% verified."

A big part of PCW's work involves maintaining these relationships and surveying these contacts. Kathy values honesty and straight shooting when it comes to building connections. "I just call someone on the phone and say, hey, you're the new plastics manager over at XYZ Company (for example),, my name is Kathy, do you want to have lunch? And then we tend to just talk, about ourselves, our lives, we find things in common. Then quite typically, they may call at some point needing some data they don't have access to. That's something we can help them with. Then, when we need information about an event at

that company, I now have a friend I can call. I've got no interest in theatrics. I'll generally just say, 'I need a friend at your company. Can you be my friend? That helps me, now what can I do to help you?'"

After establishing relationships with all the industry heavies, Kathy's job is relatively straightforward: keep in touch. "To some degree, it's a matter of how many people I can talk to on the phone a day," she laughs, "as I built my team, we started to have a greater reach. If I can survey 60 people making the same chemical, I'll start to see the consensus price. They might tell me 50 cents, 49 cents, 51 cents, 50 cents, 52 cents. Then I put together a little price range, 49-52 cents. And if one person says 60 cents, I'm in the know enough to know that's not right."

When people ask Kathy about PCW's methodology, she's quick to proselytize about the effectiveness of relationships over data mining. "I have a phrase, if you want to know who did the crime, you've gotta drink with the cops," Kathy smiles, "Spend a lot of time going out to dinner with a lot of people, drink a lot of wine, and build a lot of relationships that you can trust."

Kathy comes by her affection for relationships and community honestly. Her father, though he was a businessman by day, owned a string of bars while she was growing up. Though he never achieved much financial success from the endeavors, Kathy fondly remembers her father and his friends burning the midnight oil on their labor of love. In fact, she particularly treasures some of his old bar merchandise that she still holds on to, old tee-shirts and calendars branded after his businesses. "I realize now, he must've been awake 24 hours a day for several years," Kathy recalls wryly, "during the day, he helped run a division of Westinghouse, phosphorous laboratory science, and he had two young kids at home."

She also attributes some of her entrepreneurial drive to her father's business ambitions. "He never did particularly well with it," Kathy allows, "but he created it. Like, where there was nothing, now there was John's Tavern. It created years of memories and times and relationships. It really taught me that you can create." Kathy's father went on to retire early at the age of 50, and pursue his interest in acting.

While Kathy's father worked day and night, Kathy's mother split time between her job as a commercial contract analyst for real estate

companies and managing the household. Kathy and her younger brother grew up in suburban New Jersey, where they could walk to school, the park, and their friends' homes. Being only a year apart, the two siblings were always close, but agreed to pursue different activities at school. Kathy's brother gravitated more toward sports, like baseball and soccer, while Kathy preferred the arts, singing with the choir and playing the flute and the piano. But one thing they always excelled at together was pranking their long-suffering parents. Kathy recalls the camping trips the family would take every summer and the trouble she and her brother would get into. "We'd be driving up to Niagara Falls or something, in the back of the station wagon, and we would hold up signs that said 'Help!' or 'We're being kidnapped!'," which we thought was very funny," she laughs, "We really delighted in antagonizing my parents."

Kathy flourished in school, and notes that her parents were encouraging but never demanding. She was expected to attend college but was allowed to pursue her own interests. After years of taking piano lessons, she earned her first dollar offering beginner lessons to younger kids in the neighborhood. Kathy was thrilled to be making her own money, no longer subject to the vagaries of the allowance system. Soon, she also took on her work at the refrigerator repair company and stayed on there until its closure precipitated the launch of her own dispatch service.

Since childhood, Kathy had been interested in becoming a writer, and so when she went off to college at Rutgers University, she quickly decided to major in journalism. As always, conveying information accurately was at the top of her mind, and she was particularly interested in the mechanics of writing. "There are different styles, how you write a news story compared to how you write other types of features, spotlights or interviews. I took a class on obituary writing, I learned about how sports writing is different from writing about academics, or crime. I loved learning how to properly present information in words."

After graduation, Kathy landed her first writing job as a journalist for a local chain of newspapers owned by the Forbes family. The papers would rotate young reporters in and out of small towns around New Jersey to cover local happenings. "You would be at all the Mayor's meetings, the Board of Education meetings," recalls Kathy, "You get to know the fire

department, all the policemen, you really get to know a town". Once again she was learning the value of relationships for gathering information.

Within a couple of years, however, Kathy began to burn out on the work. She was working odd hours, most days, and rarely had a weekend to herself. A friend asked her if she would be interested in a position teaching journalism at a private girls' school, and Kathy jumped at the opportunity. The position was comfortable, and she stayed with the school for three years. She might have stayed in the job longer were it not for a fateful encounter with a troublemaking student. "I'll never forget, one of my students asked me, 'what kind of experience do you have,'" remembers Kathy, "and I told her I'd worked at a newspaper for two years. And she said, 'what are you gonna teach me, you haven't even had a career yet!' And I thought to myself, she's right!"

The words got under Kathy's skin. She knew she needed more experience in the field, and that very weekend she turned to the newspaper for job leads. Quickly, she found a role at McGraw Hill, now S&P Global, as a copy editor. Soon after that, she signed up to be trained to write about financial markets. Though she knew little about the topic, she learned quickly and discovered a real talent for the work. "I travelled, got to see a lot of places around the world," she recalls, "and I got to really understand aspects of the oil and manufacturing markets."

For twelve years, Kathy climbed the corporate ladder, thriving as an expert in the oil markets. She was promoted, became a manager, and enjoyed a comfortable lifestyle. However, she still felt the itch to build something of her own, as her father had done with his bars, and as she herself had done as a high school student. She felt a deep responsibility to her customers, and found that her employer had little interest in being responsive to their needs.

"The culture was not connecting to the marketplace in the way I wanted it to anymore," admits Kathy, "I would say, my customers are asking for this kind of news report. And they would say, well so-and-so in London probably won't go for that. I wanted to work at a place that wanted to satisfy the customer, and that wasn't where I was anymore. And the customer really didn't care if McGraw-Hill did it, or if I did it, they just wanted somebody to do it. Finally I just said, ok. I'll start my own business, and I'll do it!"

Kathy financed a prototype of her new newsletter herself, and also self-financed a trip to an industry conference where she began selling the prototype. After a couple of months, she had a decent roster of about 100 subscribers, and the moment of truth came: she sent her new clients their invoices—a bill for \$2,000. “I was so nervous hitting the send button on those invoices,” chuckles Kathy, “but people wrote back saying your check is in the mail. Or what’s your company’s bank account number. I thought, well gee, I guess I have to set up one of those! But now I really had a business. That was a big moment for me.”

In August of 2018, Kathy made the decision to sell PCW to OPIS, a division of the global consulting firm IHS Markit. She made the sale carefully, with an eye to insuring continuity of quality for her subscribers. PCW had worked closely with OPIS in the past, and they were an ideal fit. As always, she valued the information she heard in the field. “I asked my clients first, what they thought of OPIS,” Kathy nods, “and always they said, great company, great fit.” Today her title is Executive Editor of PCW.

As a leader, she considers herself to be more collaborative than dictatorial. “I view leadership as, I’m an ambassador to avenues of power,” she explains, “I’m not a task master, I’m the ambassador so we’re not all clogging up the President of the parent company’s time. That approach requires a lot of trust, because it’s easy to be taken advantage of if you portray yourself as a peer leader. But I’m strongly disinterested in the politics of fear.”

To young people entering the working world today, Kathy offers wise, but simple advice: “Understand you do not know what you’re getting into,” she asserts, “You think you do, but you don’t. So give yourself permission to not like it,

and make a change. A lot of people get trapped, saying, this isn’t what I thought it would be, but I have to pay the rent. You can do anything else! If something’s not working, do something else. It’s ok.”

From her work as a journalist, to her time as a teacher, a financial market reporter and finally a business owner, it’s clear Kathy has followed her own advice, always pursuing that next lead. And every step of the way, she has valued information as the building block of success. “I think a lot of people put pressure on themselves,” Kathy states, “asking, what is success? If I’m not a millionaire, is that success? If I don’t own a business, is that success? Be open to your own definition of success, that’s the only thing I’m forever on a journey on, and that echoes back to information. It’s part of the fun of aging to me, always learning more, finding more clarity as time goes on. Right now, I’m not making any decisions about what the future may hold. I’m just taking in information.”

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