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Title firm employee now owner

After her employer shuts the doors, woman opens one and she's the boss.

Brian J. O'Connor / The Detroit News

Remember that wise old saying, "When one door closes, another opens?" Well, Kate McCarty lived it.

Twice.

The 52-year-old Livonia women first found herself on the wrong side of that closing door in 1994, when she faced the world as a divorced mother looking for a way beyond her \$6-an-hour job.

Ten years later, after she'd built a career in real estate, the doors slammed again -- literally -- when the title company she worked for closed down with no warning.

"On a Friday afternoon, I was told I no longer had a job," McCarty says. "I had built the business and worked over five years to make money for everyone but myself."

She used her car as her office for that weekend. By Monday morning, she was back in business, and taking the first steps toward building her own successful real estate title operation. McCarty's Embassy Title Agency has been operating for two years in Livonia, despite the local downturn in the real estate market.

Looking back, she says, "It really was a case of, hey, Kate -- sink or swim."

Where she came from: After graduation from Redford High School in 1973, McCarty worked her way through a series of office jobs for real estate brokers, builders and others.

In the pre-computer age, she typed up spec sheets for projects and handled other paperwork chores. After marriage and two kids, McCarty went back to work, first for a credit bureau, then a mortgage firm and a real estate company, before getting divorced in 1994.

"I was making six bucks an hour as a secretary in a real estate office," she says.

Knowing she would have to do better as a single mother, McCarty set out to learn the title insurance business, which involves making sure properties being sold are free and clear, and handling many of the details of real estate closings. McCarty moved from job to job, learning as she went along.

"I just worked my way through that decade," she says. "Every step I took was a step higher, jumping from company to company in the title industry. That's the school of life: You're thrown into the lion's den and you're either going to survive or not."

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Kate McCarty's Embassy Title Agency prospers even though Michigan is in an economic slump. See full image

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Kate McCarty

Home: Livonia, single with two adult children

Born: Detroit, 1955

Education: Redford High School, 1973; Henry Ford Community College, 1977

Old career: Office manager for title company

New career: Owns and operates Embassy Title Agency, Livonia

Work tips

"Within most successful people lies the dream of an entrepreneur," says career coach Prudence Cole of Grosse Pointe, co-author of the book "Finding Power, Passion and Joy Being at Work" and author

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What changed: Through the years, McCarty built a loyal following of clients who trusted her to close their home sales on time and without problems. In 1999, she joined a new title agency, working as the office manager.

"I brought all my business with me. I ran the company and I built the business," she says. "Then in 2004, they closed the doors. On Friday afternoon, they came and said, 'The doors are shut.' Everything I built was gone, and I was devastated."

Moment of truth: McCarty decided it was time to be independent. To do that, she would need to raise money for her own operation and find an underwriter to back her title work. She spent the weekend formulating a plan, collected her records from the old business and set out Monday to build her own company.

Through a friend, McCarty found another agent willing to let her work under his agency's license. But she didn't come on board as an employee. Instead, thanks to her large book of business, McCarty engineered a deal to work as an independent contractor who would split the proceeds of her work evenly with the agency owner.

"Everybody else was like a vulture," she says. "I probably got phone calls for a month after the old place closed. Everybody wanted me to be their employee. But I wasn't going to go back and make money for someone else again."

Stumbling blocks: With years of experience behind her, McCarty didn't have to navigate much new ground to launch her business. She spent six months saving about \$60,000 to open an office, subscribe to several expensive databases and bring on the experienced staffers she had in mind.

And, of course, there was plenty of red tape.

"It was hard, of course," she says. "Just going through the regulatory procedures, getting underwriting, getting the building and everything. But because of what I had learned through years, it wasn't as hard as would be expected. That's why it only took six months."

Words of wisdom: By August 2004 McCarty opened her business with a staff of seven employees -- a key factor in her ability to succeed despite Michigan's dismal real estate market.

"The people who work for me have just as much experience as me," McCarty says. "I had good people with knowledge. That's why I'm open in this economy. Everybody always says, 'I can't believe you're open,' and I say, 'Hey, the only way for me is up.' "

Besides hiring good people, McCarty stresses the importance of building on a good reputation.

"That's what success is," McCarty says. "First show that you're treating people well, then you're going to make your money afterwards."

But her strongest advice is not to be afraid of taking a risk

"Each individual is going to have their own fears, because every business is different," she says. "My thing is, if you're thinking about it, then you've got to do it before something happens and your pins are all knocked down. Otherwise, you're going to wind up like I did. The doors close and it's, 'Whoa, baby, I gotta do something!' "

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"Like any new career endeavor, the higher the risk, the higher the potential reward. The key is to understand your risk tolerance. If entrepreneurship is your goal, Kate McCarty's story presents some good steps for lowering some of the risks:

Stick to your knitting: This business adage says do what you know how to do and are the best at. Starting a business is extremely difficult; don't add to the risk by having to deal with a steep learning curve. It could kill the business.

Fail to plan, plan to fail: This is as true for your new business as it is for your career. Do your research, know your markets, calculate your rate of return and know where you are going. The journey may change along the way, but you must have a destination in sight.

The buck stops and starts with you: This includes the monetary buck, the passion and work energy buck and the responsibility buck. Make sure you have money in the "bank" in all these accounts.

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