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Fall 2007

SCORE IN ACTION Success Story I

Quilting startup finds comfort in 'Timeless Threads'

Sue Matheis had a successful home-based business, making jackets and sweatshirts and selling them through a retailer and at shows mainly during the Christmas season. A customer asked Sue if she would make a specific patterned quilt for her and, since she had always liked quilts, she agreed to do so. Once other customers saw the quilt, she was asked to make more. Soon, the quilting business became Sue's primary occupation and she decided to devote her efforts solely to it. She formed a new business, which she named *Timeless Threads*, and set a goal to make the business a substantial one.

However, Sue knew from her own experience that quilting by hand or with a regular sewing machine is very difficult, especially for a bed-sized quilt. To develop a



SCORE counselor Tom Biegel with Sue Matheis, owner of *Timeless Threads*.

significant quilting business, a long-arm quilting machine would be a must. This industrial sized machine makes quilting easier and faster, and insures that stitches go through all three layers of fabric and batting. However, these machines come at a very high price, so Sue realized that she would require financing to achieve her goal for *Timeless Threads*.

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The Dayton chapter of SCORE offers business assistance to current and potential small business owners. For more information, log onto www.daytonscore.org or call 937-225-2887 to learn how SCORE can help you find solutions to your business issues.



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Sue came to Dayton SCORE to discuss her new business concept and get advice on how to obtain financing. She was given strong encouragement and instruction on how to develop a business plan. Sue immediately began

working on her plan. She decided to focus her products not only on bed quilts, but also on quilted items such as wall hangings and table runners. Her marketing plan is to actively participate in the local area quilting guilds, to advertise in quilting publications, and to call on local stores that sell quilting supplies. To accommodate her long arm quilting machine Sue realized that would need to move the business from her home to a workshop, and she found a suitable location to rent in Centerville. Putting together the financial projections for her plan, however, was more of a challenge. She returned to Dayton SCORE and began working with counselor Tom Biegel. Tom helped Sue estimate future sales, expenses, and capital items. He then put the forecasts into an Excel spreadsheet and prepared cash flow and balance sheet projections.

Armed with a first rate business plan, Sue approached her bank, showed the lending officer her plan, and was told that she was “light years” ahead of most applicants. Within just a few days, the bank approved her loan request.

Sue has received her long arm quilting machine, has installed it in her Centerville workshop, and *Timeless Threads* is off and running. Sue states: “I am realizing my business goal, and owe much of the credit to Dayton SCORE. Thanks Tom for your invaluable help!”

DID YOU KNOW...

You can help Dayton SCORE control our costs! As you might imagine, office supplies and equipment are a significant element of our total operating costs. If you shop at **Staples**, you can have your purchase earn points for Dayton SCORE that will enable John Spoor, Office Management Chair, obtain discounts for the supplies and equipment he purchases for our office.

As you check out with your purchases, give the cashier the Dayton SCORE telephone number (937.225.2887) and our account will be credited. **Staples'** area locations are:

- . 1927 Dorothy Lane (Moraine)
- . Old Troy Pike (Huber Heights)
- . 6254 Wilmington Pike (Centerville)
- . 2340 Michigan Ave. (Sidney)
- . 1761 W. Main St. (Troy)

Event features UD law school dean, executive director



*Dean Lisa
Kloppenber*

The July chapter meeting was held at the Patterson Homestead on July 25. Our guest speakers were Lisa Kloppenberg, Dean of the UD School of Law, and Kelly Henrici, Executive Director of the Program in Law and Technology within the

UD School of Law.

Dean Kloppenberg discussed the programs and exceptional record of the law school, which she has led since 2001. She also indicated that

the school's 3rd year students could be available for pro bono legal consultation with our small business clients, but that they must have oversight by a licensed attorney. Since the law school does not have the resources to provide this oversight, we might be able to convince the Dayton Bar Association to provide volunteer oversight by their members.

Ms. Henrici discussed her Program in Law and Technology, which focuses largely on intellectual property issues, and is on the leading edge in these matters among US law schools.

'Bankruptcy Basics for Small Business' tops meeting agenda

The August chapter meeting was held at the Patterson Homestead on August 22. The guest speaker was Peter Donahue of the law firm of Sebaly Shillito and Dyer.

Mr. Donahue spoke on "Bankruptcy Basics for Small Business". He described the various bankruptcy types, focusing on the pros and cons of Chapters 7, 11 and 13. He described the outdated bankruptcy Ohio regulations related to bankruptcy exemptions, and strongly encouraged that small businesses be formed as LLCs for the protection of personal assets.



Peter Donahue

EXTENDING OUR REACH

While most of our client base resides in either Montgomery or Greene counties of Ohio, we are always on the lookout for opportunities to provide SCORE services to other counties in our market region. Last quarter we had the good fortune to add a veteran SCORE



Ray Potter

counselor to Dayton SCORE's membership: Ray Potter, who resides in Eaton in Preble County. Ray was a 10-year veteran of the York, PA chapter before recently moving to Eaton. Partnering with economic development agencies in Eaton, Ray has established a branch office there, has networked with county leaders, the business community and the local media, and is building a solid client base.

Another exciting development relates to Greenville in Darke County. New member, Amber Ruppert, is Executive Director of Main Street Greenville, an organization whose mission is to attract new businesses to, and maintain existing businesses in, downtown Greenville.



Amber Ruppert

Amber joins Dayton SCORE with the intention of developing a SCORE branch in Greenville to enhance her role by providing counseling services to current and potential businesses in Greenville and Darke County.

Veteran Dayton SCORE member, Alan Sipe, will also counsel clients in the Greenville branch.

4th QUARTER WORKSHOPS

Our "First Step Workshop" will be conducted at Wright State University on Thursday, Oct. 18 and Thursday, Nov. 15 from 9 to 11:30 a.m. The cost is \$25 per person. To register, call Dayton SCORE at 937.225.2887.

Workshops at branches of the Dayton Metro Library are scheduled from 6:30 to 8:30 p.m. as shown below. There is no cost, but registration at the indicated telephone number is requested.

- . October 22: Monday
 "Business Planning for the Small Company"
 Huber Heights Branch 937.227.9508
- . November 12: Monday,
 "Marketing for the Small Business"
 Miami Township Branch 937.227.9567
- . December 10: Monday,
 "Business Planning for the Small Company"
 Northmont Branch 937.836.1610



From left to right: Arnold Sandness inducts the new officers for 2008. The three inductees include Bob Halstead, Leif Jacobsen and Don Hoke.

Wright-Dunbar project, induction ceremony focus of meeting

The September chapter meeting was held at NCR Country Club on September 19. Our guest speaker was Idotha Bootsie Neal, president of Wright Dunbar, Inc. Ms. Neal gave a powerful presentation on the vision, progress and challenges of her organization relative to its mission to renovate and revitalize a nationally significant neighborhood, with both residential and commercial components, where the Wright



Bootsie Neal

Brothers and Paul Lawrence Dunbar began their magnificent careers.

After Ms. Neal's talk, Arnold Sandness, District Director of Southern Ohio, inducted the new chapter officers for fiscal year 2008. The new officers are Bob Halstead, Chairman; Leif Jacobsen, Vice Chairman; Don Hoke, Treasurer; and John Soutar, Secretary. Bob Halstead then discussed the goals he is setting for Dayton SCORE during the upcoming fiscal year, and he expressed appreciation for the responses he is getting from members relative to their willingness to participate on key committees

IN MEMORIAM

During the last quarter we lost three exceptional members.

Clifford Hyland “Hy” Schooley passed away on July 6. Hy was born in Marshall, MO, spent 4 years in the Air Force, and received his BS in electrical engineering from the University of Missouri. For 30 years he worked for Systems Research Labs in Dayton in signal intelligence and defense electronics, after which he started his own business, Systems Tech Labs, and served as its CEO until retiring in 2002. Hy joined Dayton SCORE in June 2002. He served as vice chair in fiscal 2006, and secretary in fiscal 2007.

Charles Leroy “Lee” Senne passed away on July 14. Lee was born in Higginsport, OH, graduated from Wilmington College, and was inducted into its Athletic Hall of Fame. He received his master’s degree from Rutgers State University, served in the Air Force during WWII, and worked as Vice President of commercial lending at Society/Key Bank for 27 years, after which he retired. Lee joined Dayton SCORE in 1986, thus serving for over 20 years, a chapter record. Lee’s expertise in business loans helped both SCORE clients and members throughout those 20 years.

Wesley E. “Wes” Schultz passed away on July 20. Wes was born in Benton Harbor, MI, served in the Navy, and worked for Pontiac Motors in Detroit for several years in after-market sales. He also worked in sales management for Derex Chemical, Koehring Company, Portable Heater Sales, Huff Corporation and KP Industries. After retiring he served as a volunteer and Board member for the Wright B Flyer. Wes joined Dayton SCORE in 2002, and was a skilled small business counselor, particularly in the sales area.

CLIENT SATISFACTION REPORT: FY 2007

	Average Score*	% 3 or 4
Were you treated courteously and professionally?	1.01	3.8
Were your issues/questions addressed well?	1.40	8.7
Did you and the counselor agree on clear next steps?	1.47	12.5
Were you encouraged to return for further counseling?	1.31	7.7

* 1 = Strongly agree 2 = Agree 3 = Disagree 4 = Strongly disagree

In fiscal 2007, just ended, we moved forward on our initiative to measure that quality with a client satisfaction survey. The quality of the sessions that Dayton SCORE conducts is more important than the number of counseling sessions.

The survey asks four straightforward questions that we view as indicative of what we want to accomplish in counseling, and, as the above results for the year show, our clients give us good marks. However, we pay particular attention to those clients who feel that their experience on any of the questions was less than totally satisfactory (% 3 or 4), and ask the counselor to follow up with the client to address the deficiency. We will continue with the survey in fiscal 2008 with the goal of showing further client satisfaction improvement.

Local man finds a new career in ‘Resale’

Michael Grant had a successful 21-year career in the computer field in the Dayton, Cincinnati and Columbus area, but he had a long-time desire to own and operate his own business.

The type of business, however, eluded him. Then, when Michael and Teresa decided to marry and live in Teresa’s home in Germantown, Michael tried to sell most of his belongings: furniture and furnishings, household items, even many clothing

articles, so he held a garage sale. He was disappointed with the amount that sold and with the revenue that he realized. He wished that there was a shop in the area where he could have consigned his belongings. The light bulb went on ... a good consignment shop was an unmet need in the Germantown area.

So Michael decided to explore the possibility of starting such a business. He realized that a business plan was important for crystallizing his business concept and a necessity for obtaining a loan to fund his start-up.

After working on a business plan draft for some time, he realized he needed help; so in June of 2007 he came to Dayton SCORE and met with counselor Wally Nugent. Wally suggested a business plan format, and worked with Michael in several sessions over the next two months to develop a solid business plan. Michael did an exceptional job of researching his target market and analyzing his consignment shop competition in the Miami Valley. And to address the difficult problem of making his sales forecast for the business’s initial months and years, Michael contacted the trade



Wally Nugent with Michael Grant, owner of *Your Village Consignment Shop*

association for consignment shops, NARTS, who provided him with the average sales growth profile of its members whose shop size is similar to that which Michael intended.

With business plan in hand, Michael applied for his business loan and received it quickly. During the month that he took to set up the shop, Michael placed ads in weekly newspapers throughout the Miami Valley, placed brochures in Germantown stores and library, and placed signage at his shop location announcing the pending opening. So, when Michael opened **Your Village Consignment Shop** in the Triangle Station shopping center in Germantown on Aug. 13, the business took off quickly. One month later, the business was well ahead of plan and the future looks bright.

Michael said: “I knew that a consignment shop in Germantown was good idea, but I struggled with making the case with my business plan. Wally Nugent gave me a straightforward plan outline and stayed with me throughout the plan development process. I very much appreciate what Dayton SCORE does for new entrepreneurs like me.”

TOTAL SERVICES PERFORMANCE

FY 2007 vs. FY 2006

SERVICE TYPE	FY 2007	FY 2006	CHANGE %
Face-to-Face Sessions			
New	511	524	-2.5
Follow-On	358	297	+20.5
Total Face-to-Face	869	821	+5.8
Online Sessions			
New	411	396	+3.8
Follow-On	414	504	-17.9
Total Online	825	900	-8.3
Workshops			
Number	46	31	+48.4
Attendees	572	471	+21.4
Total Services	2,266	2,192	+3.4

One key measure of Dayton SCORE's performance on its mission to serve the small business community is the total number of services it performs, including face-to-face and online counseling sessions and workshop attendees. The above table compares our total services provided in fiscal 2007, which ended on September 30, to those provided in fiscal 2006. It should be noted that our fiscal 2006 performance was exceptional: total services exceeding those in fiscal 2005 by over 40%. So we are proud that fiscal 2007 surpassed that performance by 3.4%.

As the numbers indicate, the key drivers of this improvement were two. First, significantly increasing our face-to-face follow-on (i.e., second, third, fourth, etc.) sessions, which have the effect of providing more value to the client and moving closer to a mentoring relationship. And second, conducting more workshops, which was made possible by partnering with local library systems, chambers of commerce, and other organizations that provided workshop venues and helped promote them.
