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SCORE in Action: Success Story

Sewing Up an Entrepreneurial Success

Our January 2007 newsletter contained a brief article on **Cheryl Richards** who had just launched a business, *Sew in Style*, a school in Beavercreek offering sewing classes. Cheryl's love of sewing began with her home economics classes in school, and thereafter she continued to hone her craft on her own. As a stay-at-home mom, she made many of her children's clothes. A few years ago, she took a job as a sewing teacher with a fabric store. That experience convinced her that there are few places for people, particularly children, to learn sewing. Home economics courses no longer offer substantive sewing instruction. This was the birth of her business concept to start a sewing school for children and adults. Her first exposure to SCORE was the "First Steps" workshop given at Wright State University. After that, she worked with Dayton SCORE counselor Tony Silvestri to
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Business owner Cheryl Richards shares a happy moment with two students in her sewing class.

Success Story (cont.)

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develop her business plan, identify an appropriate location for her school, and negotiate her lease. Cheryl's husband has been totally supportive of her entrepreneurial venture from the beginning, enabling her to start up without outside funding.

In the ensuing two years Sew in Style has grown and prospered. Cheryl offers workshops, sewing sessions, private lessons, one-day classes, kids summer and winter camps, and occasional special events. She has partnered with the Beavercreek Parks and Recreation Department to offer "Learn to Sew" classes for kids. She has developed an exceptional website, www.SewInStyleOnline.com, which attractively describes all her offerings, allows online registration, and enables subscription to her *Sew-ciety Page* newsletter. At the outset of Sew in Style, Cheryl had six students. Four months later she had 20. After two years, she has over 300 students, and is busy with classes most days and evenings. Recently, Dayton SCORE Chair John Glaser worked with Cheryl on some new ideas for low to no cost marketing initiatives to keep the momentum going. The business is solidly in the black for 2008 and expects to double its earnings in 2009.

Cheryl admits that the key challenge she faces with Sew in Style is to balance her business and her family life, although she appears to do it well. With a son in college, two daughters, age 13 and 11, at home, and a thriving business, she still manages to cook dinners, manage the house and maintain an upbeat attitude.

Cheryl is a strong proponent of business planning, stating that her initial attempt, and her work with SCORE, gave her the confidence that her sewing school concept could be a winner. Recently, a woman in Massachusetts found Cheryl's website and was excited by the possibility of starting a similar business in her town. She contacted Cheryl for advice. Cheryl's first recommendation to her was to find a local SCORE counselor to guide her in business planning and start-up.

To recognize Cheryl's success, she was invited to participate in Dayton SCORE's Awards Luncheon at the Beavercreek Country Club on December 17. John Glaser presented Cheryl with a Small Business Achievement award for her excellent start-up, unyielding persistence, belief in herself and her business idea, and openness to counseling.



Dayton SCORE Chairman John Glaser presents Cheryl Richards with an award at the chapter's Awards Luncheon held December 17.

DAYTON SCORE: Non-discrimination Policy

Dayton SCORE services are provided without regard to race, color, national origin, gender, age and disability. Persons with disabilities may request reasonable (special) accommodations (with a two-week advance notice). For special accommodations, please telephone Brenda Arrington at the Dayton SCORE office: 937.225.2887.

Workshop Offers Planning Success

“Business Planning for the Small Company” (BPSC) is a staple in Dayton SCORE’s workshop offerings, having been conducted for several years at many venues throughout the Miami Valley. BPSC is particularly targeted toward entrepreneurs who are contemplating starting a small business or have recently launched their business. Unfortunately the failure rate of start-ups in their first few years is extremely high. However, studies clearly show that doing a rigorous business plan in advance of the start-up dramatically reduces the chance of failure. Realizing this, Dayton SCORE counselors strongly encourage their aspiring entrepreneur clients to attend a BPSC workshop. They then desire to work with their clients as they develop their business plan to guide their work, review progress and suggest improvements. Since lenders and investors almost always insist on reviewing the business plan for a company they are asked to finance, having a solid business plan is a necessity for any business that will require funding.

BPSC is a two-hour workshop that walks the participants through the processes of: (1) defining the target market for the business, (2) understanding customer needs of the target market customers, (3) identifying key competitors, (4) assessing the strengths and weaknesses of the key competitors, (5) developing strategies that will differentiate the business and produce competitive advantage, (6) determining the financial needs of the business, (7) producing solid projections of the financial performance of the business, and (8) using the plan to monitor and control the business's operations.

Wally Nugent is a six-year SCORE volunteer, and is the presenter of BPSC. Wally retired from The Mead Corporation in 2000 where he spent 33 years in corporate strategy and planning, division president, and corporate marketing, purchasing and logistics leadership roles. He was Dayton SCORE Chapter Chair in 2006 and 2007.



Counselor Wally Nugent prepares for the BPSC workshop.



Wally Nugent discusses business planning with participants in his November 12 BPSC workshop at the Kettering/Moraine/Oakwood Chamber of Commerce.

First Quarter Workshops

Workshop Schedule

Workshops for the first quarter are scheduled as shown below. There is no cost, but registration at the indicated telephone number is requested.

Tuesday, January 6

“Business Start Up Basics”

Dayton Metro Library, Huber Heights Branch
6160 Chambersburg Road
6–8 p.m.
937.496.8934

2718 Lyons Road

6–8 p.m.
937.496.8944

Tuesday, January 13

“Marketing for the Small Business”

Dayton Metro Library, Downtown
215 E. 3rd Street, Dayton
6–8 p.m.
937.463.2665

Tuesday, February 17

“Business Planning for the Small Company”

Dayton Metro Library, New Lebanon Branch
715 W. Main Street
6–8 p.m.
937.496.8944

Wednesday, January 14

“Strategic Planning for the Small Company”

Dayton Metro Library, Kettering/Moraine Branch
3496 Far Hills Avenue
6–8 p.m.
937.496.8938

Tuesday, February 24

“Small Business Accounting with QuickBooks”

Dayton Metro Library, Huber Heights Branch
6160 Chambersburg Road
6–8 p.m.
937.496.8934

Tuesday, January 20

“Business Planning for the Small Company”

Dayton Metro Library, Miami Township Branch
2718 Lyons Road
6–8 p.m.
937.496.8944

Tuesday, March 3

“Business Start Up Basics”

Dayton Metro Library, Downtown
215 E. 3rd Street, Dayton
6–8 p.m.
937.463.2665

Tuesday, January 20

“Small Business Accounting with QuickBooks”

Dayton Metro Library, Downtown
215 E. 3rd Street, Dayton
6–8 p.m.
937.463.2665

Tuesday, March 10

“Marketing for the Small Business”

Dayton Metro Library, New Lebanon Branch
715 W. Main Street
6–8 p.m.
937.496.8944

Tuesday, February 3

“Business Start Up Basics”

Dayton Metro Library, Kettering/Moraine Branch
3496 Far Hills Avenue
6–8 p.m.
937.496.8938

Tuesday, March 17

“Business Planning for the Small Company”

Dayton Metro Library, Northmont Branch
333 West National Road
6–8 p.m.
937.496.8950

Tuesday, February 10, 2009

“Marketing for the Small Business”

Dayton Metro Library, Miami Township Branch

Tuesday, March 24

“Small Business Accounting with QuickBooks”

Dayton Metro Library, Miami Township Branch
2718 Lyons Road
6–8 p.m.
937.496.8944

Major Outreach Events during the Last Quarter

In September, at the conclusion of one of member Richard Pugh’s “Marketing for Your Small Business” workshop, a participant, who is an instructor in the business curriculum at Brown Mackie College in Cincinnati, invited Richard to speak to her classes. So on October 11, Richard spoke to 37 students on business ownership and business marketing. The session, which was to only last an hour, went on for three hours due to the intense interest and questions of the group. Richard, who after a successful sales and sales management career in a Fortune 500 firm, purchased and ran two Wendy’s franchises for several years. He draws on this rich experience in his workshops and talks.

On October 14, Chapter Chair John Glaser was interviewed by WHIO-TV as part of a piece dealing with how area small businesses are dealing with the economic downturn. John commented that SCORE counselors are available to provide advice to troubled businesses, and he stressed the importance of managing cash flow in these times. The piece was aired on the evening news on the 15th.

Also on October 14, John Glaser and Richard King participated in a Branch Managers meeting for US Bank in Miamisburg. They discussed the capability of SCORE to work with US Bank’s clients to make them more creditworthy. The 12 branch managers in attendance expressed sincere interest in referring their clients to SCORE. Pictured with John Glaser is US Bank’s Vice President and Sales Manager, Andrea Anderson.



John Glaser and Andrea Anderson



Rod Childs and Bill Dayton with attendee at the small business expo

On October 23, SCORE participated in a small business expo held by the Small Biz SUCCESS! Network at the Crossroads Expo Center. The expo, attended by more than 500 people, gave small business owners the opportunity to develop relationships with other businesses, potential clients and suppliers. SCORE’s booth, manned by members Arnold Sandness, Rod Childs, Bill Dayton, Bob Halstead, Clark Beck and John Glaser, was a popular spot at the expo, and several counseling sessions were scheduled with attendees. Pictured at the expo are Rod Childs and Bill Dayton discussing SCORE with a participant.

Start-Up Financing in a Credit Crunch

Banks have tightened lending criteria dramatically; therefore start-ups need to look for financing alternatives. Consider:

Borrowing from Yourself

- ~ Liquidate appreciated stock and lend to your company
- ~ Borrow from 401(k)s or retirement assets

Borrowing from Family and Friends

- ~ May charge a rate just higher than their savings account
- ~ Take money in form of debt versus equity, if possible

Borrowing from Strangers Online

- ~ Many websites allow “person to person loans”
- ~ Interest rates higher, but still a good financing resource

Borrowing from the SBA

- ~ Banks continue to make loans guaranteed by the SBA
- ~ Requires solid business plan and good credit situation

Chapter Meetings

The October meeting was held on the 22nd at The Patterson Homestead. New Chapter Chair, **John Glaser**, used the speaker segment of the meeting as an educational session for members on the “SCORE 5-Step Counseling Process”.



The process is a tool that provides a framework for SCORE counselors to guide a client through a learning process and encourage a mentoring relationship between counselor and client.

The five steps are:

1. Establish Rapport

Utilizes the counselor’s listening, analytical and motivational skills to ask pertinent questions, let go of any bias and preconceptions, and behave as an empathetic advocate for the client’s success.

2. Conduct Needs Assessment

Together with the client, identify and collect the information necessary to determine the viability and to develop a strategy for the proposed business, looming challenge or new opportunity.

3. Identify the Business Goal, Strategy or Opportunity

Describe the new business concept (e.g., create a unique product or provide a unique service), or challenge (e.g., solve a significant operating problem), or opportunity (e.g., reach a new market segment).

4. Prepare and Implement the Business Plan

The plan to include an explanation of the business concept, the current situation, a market and competitive analysis, the strategies for success and strategy implementations, and proforma financials.

5. Obtain Feedback and Set Roadmap for Mentoring

Review the draft plan and accept or suggest improvements; recap issues, conclusions and action steps; outline expectations and homework; set date for the next appointment.

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The November meeting was held on the 19th at The Patterson Homestead.

The guest speaker was **Ray Marciano**, Internet General Manager for the Dayton Daily News. Ray was raised in New York City and has been with the DDN for 24 years, having served as a reporter and copy desk editor in the newsroom prior to his current assignment. He now has responsibility for the website, DaytonDailyNews.com, which is a community-focused vehicle for disseminating news and other information for those who don’t have the time to thoroughly read the newspaper. Ray was challenged to make the website profitable by growing ad revenue and audience. He indicated that it is now profitable and is growing much faster, in the neighborhood of 15% per year, than most other newspaper websites. He stressed that news items are placed on the site almost immediately upon being received, making the site a valuable asset for those desiring up-to-date information. Ray focused on the website’s “press release” section. Any person or organization can post an announcement directly into this section, without any interaction or editing from a DDN employee. The announcement will immediately be placed in the press release section of the website. He encouraged SCORE to use this feature to announce workshops and other events, stressing that it should be a supplement to, versus a substitute for, placing announcements in

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New Member



Dan Worsham (right) was born in Tokyo because his father was in the USAF and stationed there at the time. His family moved to Dayton when he was 10, and he considers himself a local. Dan received his undergraduate degree in Management Information Systems from Wright State University. He is working toward an MBA from WSU, concentrating on International Business, which he will complete in March 2009.

As part of his MBA work he visited Paris early

in 2008 and will visit China in March 2009.

Dan is currently an IT Systems Analyst with LexisNexis. He supports a scientific publishing site called ScienceDirect.com. He previously worked in the IT area for Total Systems Services, Inc., a credit card processing company in Georgia, and for the Ohio Bureau of Workers' Compensation in Columbus Ohio.

Dan has joined SCORE because of his keen interest in supporting and learning more about local small businesses. He makes his home in Kettering, and enjoys travel and motorcycling.

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the newspaper and its B2B magazine. When asked what makes for an effective press release, he answered it should be brief and to the point, touching on who, what, where, when and why.

When questioned about DDN's political bent, he responded that their editorial pages purposely balance the number of pieces by conservative and liberal journalists; and when asked about carrying mostly bad news articles, he said that recent studies of the newspaper's articles classified as bad news, neutral news, and good news, showed 85% were either good or neutral. Ray ended by encouraging us to contact him with questions or help in getting Dayton SCORE coverage in the newspaper.

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The December meeting was the Annual Awards Luncheon on the 17th held at the Beaver Creek Golf Club. The featured speaker was **Jackie Fisher**, Director of BRAC (Base Realignment and Closure) at WPAFB. Jackie, a Dayton native, with Wright State University undergraduate and University of Dayton MBA degrees, has been at WPAFB for 24 years in numerous roles. Her current position involves overseeing the implementation of the latest BRAC decisions at WPAFB. She indicated that this is the 5th BRAC since the mid-1980's, necessitated by the end of the Cold War and



budget shortfalls and the resulting need to realign military structuring. Jackie stated that the current employment at WPAFB, 24,000, makes it the largest single site employer in Ohio. The impact of this BRAC on WPAFB is very favorable: (1) creating 1,200 new positions, including many Masters and PhD degreed jobs, (2) involving \$332 million in construction, and (3) necessitating new cooperative arrangements with local universities, industries and medical institutions. The anticipated total economic impact on the Dayton area of this BRAC is \$4.4 billion, considering the added jobs, contractors, and second level effects.

Among the functions being transferred to WPAFB from other bases over the next couple of years are: Air Platform Development & Acquisition, Naval Aerospace, Human Effectiveness Directorate, Performance Enhancement Directorate, AF School of Aerospace Medicine, 77th Aeronautical Systems Group, Physiological Training Unit, and Sensors Research.

Also at this meeting several members were presented years of service awards and Distinguished Service Awards. Two local foundations were presented awards recognizing their generous and long-term financial support of Dayton SCORE.

TOTAL SERVICES PERFORMANCE

1ST Quarter FY 2009 vs. 1ST Quarter FY 2008

SERVICE TYPE	1ST QTR FY 2009	1ST QTR FY 2008	CHANGE %
Face-to-Face Sessions			
New	59	130	-54.6
Follow-On	62	82	-24.4
Total Face-to-Face	121	212	-42.9
Online Sessions			
New	119	67	77.6
Follow-On	119	133	-10.5
Total Online	238	200	19.0
Workshops			
Number	15	11	36.4
Attendees	169	109	55.0
Total Services	528	521	1.3

The first quarter of fiscal year 2009, which ended on December 31, 2008, saw a slight increase (1.3%) over the same quarter of the prior year of total services provided by Dayton SCORE to our small business clients. However, as the chart above dramatically indicates, the results were very mixed. Our face-to-face counseling sessions were down 42.9%, while our online sessions and workshop attendees were up 19% and 55%, respectively. Nationally, face-to-face sessions were also down significantly, but we take no solace in that fact. We are pursuing the marketing initiatives developed in our Strategic Plan, and expect to make progress in the following quarters in driving our face-to-face counseling upwards.

Tips for Surviving an Economic Downturn

- ~ Watch inventories closely, but don't hold them so tight that you lose sales
- ~ Monitor cash flow diligently and forecast it monthly to ensure that expenses are in line with receivables
- ~ Separate "nice to do" from "have to do" and eliminate nonessential expenses
- ~ Reduce or stretch out debt, and build up capital reserves
- ~ Get aggressive with collections ... get your collection period down below industry norms
- ~ Delay purchase of capital items that take a long time to pay off
- ~ Strengthen banking relationships and let lenders know your financial position
- ~ Get employees involved in identifying prudent cost reduction and quality improving opportunities
- ~ Be aggressive in the marketplace in seeking out new business and maintaining valued customers
- ~ Re-examine your marketing mix to ensure it is very cost-effective