

East Kentucky Small Business Development Center Locations



Morehead State University
College of Business and Public Affairs
East Kentucky Small Business Development Center

Building the Economy. Impacting Lives.



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Semi-Annual Report
October 1, 2009-March 31, 2010

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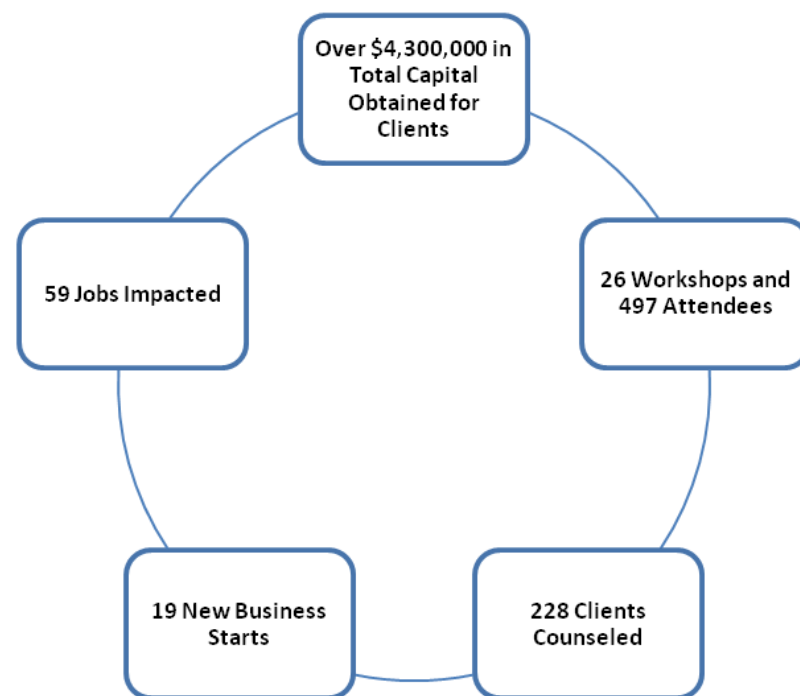
About the East Kentucky Small Business Development Center

The East Kentucky Small Business Development Center (EKSBDC) is part of a nationwide network that includes 17 centers across the state of Kentucky. Hosted by Morehead State University, the EKSBDC operates six centers within the 25-county service region. Regional Service Centers are located in Ashland, Morehead and Pikeville. Three Satellite centers are located in Maysville, Paintsville and West Liberty. The centers serve hundreds of potential and existing small business owners. Through this service network, clients obtain valuable information and guidance that supports the successful preparation and operation of their businesses. Several business success stories are included in this report.

Morehead State University

East Kentucky Small Business Development Center

Economic Impact (October 1, 2009-March 31, 2010)



The Lemon Tree



Josephine Jarvis, owner of The Lemon Tree.

financial options. After spending a few sessions with the counselor, a business plan was created and she pursued a loan of \$150,000 through a local bank which was backed by a SBA Loan Guarantee.

Last year, the loan was approved, and The Lemon Tree officially opened its doors. The

business has been very successful.

The Lemon Tree is a very popular local hangout located in West Liberty. Jo Jarvis, owner of the Lemon Tree, dreamed of one day working for herself.

Jarvis approached the West Liberty SBDC for assistance in business planning and exploration of

Jarvis' catering business is very popular in the community. Social events, sporting events, and even client functions at the local area Innovation Center have used her catering services. But she isn't stopping there, she is

planning on expanding her business product lines, which will include coffee and morning breakfast items. She is even considering using the SBDC services in the future to create a web site and possibly a page on a social media site.

The Lemon Tree is a perfect example of how a great idea, mixed with a local community need, can become a successful business venture. Her dream turned into a reality thanks to hard work, dedication, and a team of individuals who shared a common passion of making this idea work.

"I am grateful for the help the SBDC provided me. I would recommend them to anyone interested in starting a business."

-Jo Jarvis

2010 Regional Entrepreneur Conference

The 9th annual Regional Entrepreneur Conference will be held at the Morehead State University Regional Enterprise Center in West Liberty.

The event will include: Four workshops, exhibitor networking sessions, lunch and entertainment, a keynote speaker, and door prizes! Session presenters, workshop topics, and the keynote speaker will all be announced at a later date.

Mark your calendars! The 9th Annual Regional Entrepreneur Conference will take place on **September 14**. Our Morehead General Consultant Mark Murphy will oversee the conference. His contact information is (606) 783-2895. Or you can contact Associate Consultant Chris Bowersock at (606) 743-4005 Ext. 215. For detailed directions please visit www.msurec.com. For lodging information, please contact Days Inn of West Liberty at (606) 743-4206. We hope to see you there!

Sam's Hot Dog Stand

Jason Zeller owns a regional franchise restaurant called Sam's Hot Dog Stand. Since April 2004, he has provided hotdogs and barbecue sandwiches with no eat-in capabilities. Currently Zeller, his wife and two part-time employees provide the workforce for this business. Zeller would like to open a new location in the Marrowbone area where his father will be opening a Giovanni's Pizza franchise. To achieve that goal Zeller would have to have outside financing.

Zeller visited his local bank and was advised he would need the support of the SBA lending programs to acquire

a \$175,000 loan. He came to the SBDC and began working on a loan proposal with Jared Arnett, SBDC counselor. Zeller had four meetings with Arnett and numerous phone conversations. They were able to assemble a loan request complete with projections, financial statements, notes and SBA documents.

Zeller submitted his request and was provided the needed financing for his



Jason Zeller, owner of Sam's Hot Dog Stand, Assists a customer.

project. Although the construction phase is not completed, Zeller will soon provide some additional jobs in the Marrowbone community and another food alternative for the area.

The Smokehouse



The Smokehouse has been voted the "best barbecue in Indiana."

The Smokehouse Barbecue could be one of the best barbecue restaurants in the state. Since starting the restaurant and catering service in Plumville, Kentucky, Marc Harrison has gone through one major

expansion, catering large number of events and being voted the best barbecue in Indiana.

Besides barbecue, The Smokehouse offers a full line of entrees from bologna sandwiches to barbecue and steak. At the main restaurant you can enjoy live entertainment, cruise-ins and local gossip.

Don't be surprised if you see Harrison catering in Kentucky, Indiana, Ohio and West Virginia. It's not uncommon for The Smokehouse to serve 200 diners during the weekday and

more than 400 diners per day on the weekends. And yes, award winning.

Last year, The Smokehouse took its barbecue to Southbend, Indiana to participate in the College Football Hall of Fame Barbecue Cook-Off and "The Smokehouse" came out the winner in this fierce competition.

Harrison's business has grown from three employees to seventeen and they are considering another restaurant in the neighboring community of Aberdeen, Ohio. But as Harrison has stated, "this is just a plan for the future."

"This is just a plan for the future."

-Marc Harrison

Laferty Chiropractic



Amanda Laferty dreamed of having her own business. Thanks to the SBDC, her dream became a reality.

Amanda Laferty realized when she was very young that she wanted to be involved in the medical field. She attended Knott County Central High School 1998-2001, then Morehead State University from 2001 - 2003. She returned home after attending Alice Lloyd College from 2003 -2005. After college, Laferty moved to South Carolina and attended Sherman College of Straight Chiropractic obtaining her Doctorate of Chiropractic degree.

Laferty decided to become a Chiropractor because she loved the idea of helping others but liked being able to help them naturally and that is what Chiropractics is "natural healing" without all the medications. Laferty

was asked by Small Business Development Consultant, Michelle Spriggs, "Why did you decide to open your own business instead of working for another established chiropractor?" Laferty replied that "although working with an established chiropractor would be a great learning experience, I have always known that I wanted to open my own practice and what better time to do so". Laferty wanted to return home to Knott County and open her own chiropractic office to serve the residents of her community.

Laferty met with Darrell Slone in the Hindman branch of Community Trust Bank who referred her to the SBDC to assist her with the proper documents to obtain a business loan. Laferty met with SBDC consultant Spriggs on May 14, 2009 at the

Kentucky Highland's Entrepreneur Center to discuss her plans to open her Chiropractic business in Knott County. In this session, Spriggs worked with Laferty to calculate her initial start-up expenses and working capital needs. It was determined that she would need approximately \$50,000 to start her Chiropractic business. Spriggs assisted her in developing a business plan, financial projections, an SBA loan application, and personal financial statement.

On May 26, 2009, Spriggs met with Laferty to finalize all documentation. Laferty then submitted her loan packaged provided to her by SBDC Consultant Spriggs to Darrell Slone of Community Trust Bank. Laferty's loan was approved on June 5, 2009.



Laferty wanted to return home to Knott County and serve the residents of her community.

"The SBDC has given me the confidence, knowledge, and ability to make my dreams of opening my own chiropractic office come true. They have given me the advice needed to overcome the hurdles and obstacles experienced with becoming a business owner."

-Amanda Laferty



Highland Floor Covering, a 40 year-old family business looked to the SBDC for guidance.

“Kim Jenkins’ assistance was invaluable in preparing a summary of our needs and developing avenues to satisfy these needs through an SBA loan. Thanks to Kim and her staff, a very concise report was prepared. When presented to our bank, and SBA the loan was granted. We shall be forever grateful to Kim and her staff”

-Darrel Green

Opened in 1969, Ashland’s Highland Floor Covering recently celebrated 40 years in business. This family-owned business is operated by husband and wife team Darrel & Louise Green and their son Chad. Highland’s offers quality, name-brand flooring products including carpet, laminate, ceramic, area rugs, and installation services. Shaw is the world’s largest flooring and carpet manufacturer, and Highland stocks a full line of Shaw products.

In March 2009, Darrel Green first requested Ashland SBDC service. He met with Kim Jenkins, management consultant, to inquire about securing a loan to expand their carpet/floor covering business. He was referred to the Ashland SBDC by the SBA District Office in Louisville for assistance with expansion guidance, business planning, financial forecasting, loan packaging, etc... To adequately expand the business, they needed to pay off some existing business debt, purchase additional inventory and equipment, and renovate the showroom and warehouses.

As plans were discussed, Jenkins provided Darrel with a worksheet so he could calculate their expansion costs, working capital needs, sales/income potential, and overhead expenses. She also provided him with guidance and advice on developing a business plan and financial documentation for the company, loan options, etc... In the months that followed, she worked with Darrel to review their business plan and prepare three year cash flow/profit-loss financial projections and SBA loan paperwork for submission to a local bank.

In June 2009, Darrel contacted the Ashland SBDC office to report they had been approved for an SBA Community Express loan. With the loan funds, they were able to renovate and update their carpet/floor covering showroom and warehouses, purchase additional inventory and equipment, and consolidate existing business debts to improve the company’s overall cash flow.

In September 2009, Kim traveled to the floor covering company to meet with Darrel.

Photos were taken, and she gathered some information about the company’s current status. In October 2009, she forwarded an announcement to the local/regional media to publicize the company’s 40-year anniversary and recent expansion efforts.



Did you Know
Every 8.5 hours a client **creates** or **saves** a job?
Source: Kentucky SBDC

Pop’s Southern Style Barbecue

Adam and Lisa Ferguson share a passion for smoked barbecue. Adam, 5-year veteran of smoked barbecue preparation, is known among friends and family for making tremendously tasteful barbecue meats. In fact, he won the “Best Barbecue Award” in Maysville last summer. Their dream was to turn this passion into a small business success. Thanks to help from friends, relatives, and the Morehead Small Business Development Center, this dream turned into a reality.

Lisa approached the Morehead Small Business Development Center in November 2009. She requested assistance for financing options and market research. The SBDC communicated to the client that financial institutions are reluctant to lend to start-up food businesses because of stiff competition. The clients were confident in their idea, and looked at another party for private financing.

Thanks to the financing of trusted individuals, Pop’s Southern Style Barbecue opened its doors in January 2010. Since the business has been in operation, it has become a popular stop for locals and out-of-towners.

On April 29, 2010, Chris Bowersock and Mark Murphy visited the client’s business. Adam communicated to them that his business is “doing very well” and was interested in “expanding catering services to surrounding counties.” Adam claimed that since the business is doing well that he is considering opening another location. Adam was very interested in services the SBDC could provide for future expansion and marketing efforts.



Adam and Lisa Ferguson turned a passion for smoked barbecue into a successful business.

“I am very interested in expanding my business. I will look to SBDC’s counseling services in the future.”

-Adam Ferguson



Pop’s catering services are becoming a popular option for many businesses in the area.

SBDC Services



Did you Know
Every hour of every day Kentucky SBDC clients

- **Generate** \$10,121 in New Sales?
- **Secure** \$5,638 in New Loans?
- **Produce** \$820 in Tax Revenues?

Source: Kentucky SBDC