

CAP Services' Jobs and Business Development Project – Final Report

ARRA (Community Services Block Grant) allocation \$125,032

Jobs and Business Development Program: Small business development is at the heart of new job creation in the country. As the economy shifted in 2008 and 2009, CAP received more inquiries regarding technical assistance and loan packaging services. At the same time, state funding for the program was reduced in 2009. ARRA allowed the retention of a .6 FTE Job Development Coordinator in Outagamie/Waupaca County and a new half-time position in Portage County to assist adults interested in starting or expanding a business. Results projected included the creation of 11 businesses and 4 jobs. \$125,032 used for the 15-month project.

Results:

Ninety-one individuals accessed services: 56 were one-time inquiries, 35 enrolled in program services (16 later decided not to pursue self-employment). Nineteen individuals received a variety of services and eight to date have created businesses. They include Crystal River Photography, Salon Arian and Seascope Technologies, LLC (Waupaca County), Cynthia Baake Cleaning, Divinity Dining, Dog's Best Friend and Remedy Ink (Portage County) and Everlasting Moments Photography and Godfather's Speedshop LLC (Outagamie County). Divinity Dining also created two full-job and three part-time jobs (four full-time equivalents).

Of these business starts to date, 6 have been from households with incomes at or below 100% of poverty and 2 with incomes at or below 150% of poverty at enrollment in the program. They and 11 others continue with their business development work and have received a variety of technical assistance services (assistance with writing a business plan and market/feasibility study analysis, production of pro forma financials, loan structuring, marketing assistance, linkages with other community resources, introduction to bankers and loan structuring assistance).



Seascope Technologies, LLC -Rob Cerne grew up in the family business, Sierra Boats, building fiberglass runabouts. When his father sold the company, Rob began building custom fiberglass products like trailer roofs & shower bases.

One day when delivering fiberglass parts to the Waupaca Foundry, workers showed him stacks of worn muller tank liners (liners for the tanks that mix foundry sand), and said if he could make a liner that lasted longer, he could make a lot of money. Rob took the initiative and developed a cost effective alternative – even though it took several years and all of his savings. But getting a company like the Waupaca Foundry to try his liner took a major a lot of effort. Now,

both the Waupaca and Neenah Foundries are now regular customers.

Rob now had a marketable product but looked to CAP Services in the summer of 2009 for financing. Just as that was getting underway, the recession hit. New auto sales fell sharply and foundries shut down production lines. Rob had a viable product, but no demand so he decided to delay financing until things revived. Late in 2009 foundries slowly began to increase production. Early in 2010, Rob needed additional financing. CAP helped him forecast his sales, cash flow and equipment needs to determine the level of working capital and equipment loans required as well as prepare a business plan. CAP also worked with the Waupaca Economic Development Corporation to obtain a loan to match a loan from CAP. Sales are growing fast and he expects to add one full time production position and part time office position yet this fall. Next year he expects to add a second full time production position & convert the office position to full time.