

SMALL BUSINESS PROFILE

**Quick! Find me the
m-o-n-e-y!**

**Fox Valley's QuickStart helps
businesses get their financing
ducks in a row**

STORY BY JOHN R. INGRISANO

WANT TO FEEL STUPID, incompetent and a bit foolish? That's how some business owners and wanna-be start-ups describe the outcome of meetings with financial institution loan officers. Like beggars, they complain, they must plead their case, jump through hoops, sit up and beg, and just about put up their first-born child as collateral. These days, with money so tight it squeaks, even that may not be good enough.

Enter Kent Nelson, president of QuickStart Inc., a Menasha-based business that focuses on helping businesses put together winning business plans that secure loans.

"We help business owners and potential start-ups put together a business plan," Nelson said. "Then we shop it around to local banks."

Though Nelson is an accountant by trade, QuickStart is not an accounting firm. "My goal is to help small businesses achieve and maintain success. We educate our clients and help them get the right amount of financing." Their track record speaks for itself.

An impressive resumé

"MY BIGGEST CHALLENGE," Nelson admitted, "is that we don't get a lot of easy projects. Most of my clients are those who need help. If they're wealthy with big credit, they don't need me."

Still, the results have been impressive.

"Over the last ten years, we have worked with about 400 businesses and helped obtain more than \$100 million in loans." Of those businesses, "about 90 percent are still in business," said Nelson.

That's an amazing survival rate, especially when you look at the U.S. Small Business Administration statistics, which show that an estimated 627,200 new firms began operations in 2008, and 595,600 firms closed that year.

Nelson talks about one success story involving two engineers who worked for a small division of GE in the Fox Valley. GE was considering closing the division, and these two men decided to buy it.

"They didn't have a ton of money, but they knew the business. We hooked them up with a venture capital lender in town. Since then," he said proudly, "they have gone gangbusters, running a multi-million dollar operation."

However, QuickStart does not take on all comers. "I'm a pretty straight shooter," said Nelson. "Most good business ideas can be successful with the proper financing and a lot of hard work. But if they come in figuring it's a good idea that will make them a lot of money without the hard work and lots of vacations, that's the wrong attitude. Business owners must be committed. I try not to discourage people, but we get a lot of

PROFILE

Name: *Kent Nelson*
Business: *QuickStart, Inc.*
(www.quickstr.com),
helping people obtain
financing to start,
purchase and refinance
their businesses.

Location: *Menasha and Green Bay*

Year started: *1998*

Employees: *4*



people who are inexperienced. I told one woman who wanted to open a retail store – but who had no money and no experience in retail – to go get a job at Kohls for a few years."

The quest for financing

WHAT HAS MADE NELSON SUCH A POPULAR go-to guy over the last decade? Five factors:

① Credit is the lifeblood of most small businesses. Owners count on borrowed cash as working capital to round out inventories, manage emergencies and get through periodic cash flow droughts, as well as for such bigger projects as to finance expansion plans. They simply cannot function effectively without access to funds.

② Under-capitalization is a major cause of business failure. As Nelson explained, "Businesses go out of business when they run out of money. Having adequate money up front and then

Submitted photo

MIKE HALL, LEFT, A CPA WITH QUICKSTART, AND KENT NELSON MEET WITH CLIENTS RECENTLY IN THEIR MENASHA OFFICE.



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Kent Nelson, president QuickStart, Inc.

enough working capital is a must.”

③ In these tough times, it is virtually impossible to get a loan without a business plan, partially because a number of banks are sitting on their cash right now.

④ Most businesses almost invariably need more money than they thought. When they go in for financing, explained Nelson, they ask for too little. “And it is impossible to obtain more financing if they go back in a few years when they are struggling. That’s where a lot of businesses get into trouble.”

⑤ Finally, there’s the recent recession, which is compounding all these other factors. In the past, it was common for businesses and start-ups to use the equity in their homes. Today, said Nelson, “that ability to borrow equity has declined about 20 to 30 percent, making it hard for business owners to obtain loans.”

Making the sale to lenders

WHEN IT COMES TO OBTAINING ADEQUATE FINANCING, how do you bridge that gap? One common problem is lack of communication, which makes it difficult to negotiate loans so that both sides are comfortable with the outcome. As a rule, bankers and small business owners approach the question of lending and borrowing money from two distinct and often opposite points of view. And the burden falls on the would-be borrower to educate, to impress, and to convince a lender to provide needed capital. Remember the Golden Rule: He who has the gold makes the rules!

QuickStart helps business owners go in prepared. That, stressed Nelson, starts with a solid business plan. “Once the

One of the biggest mistakes businesses make:

“When approaching a bank for financing, you only get one shot. You have to go in prepared as much as possible. If you show up with your plans scribbled on a napkin, they’re going to laugh you out of the bank. But if you have a good business plan, you have a chance.”

– Kent Nelson, President, QuickStart, Inc.


business plan is done, we send it out to lenders with which we have relationships.”

It takes more than a good credit score, he added, since each bank’s lending criteria is different – and can change – frequently.

“Our value is in helping them find the right bank,” added Nelson. “We put them in front of the banks that can help them. One may decline them, but if we can shop around the proposal to three, one might accept them.”

Sometimes financial institutions approach Nelson for help with SBA loan packaging. Often, explained Nelson, a bank may want to make a loan, but is reluctant to do so without the backing of an SBA guarantee, which may back anywhere from 50 to 90 percent of the loan with federal funds through the Small Business Administration.


“In these situations, the bank is actually the client hiring us



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to put together the package," he said. That is because "many community banks are not able to stay up on all the SBA requirements and changes. So they hire QuickStart to serve as a liaison to help make the deal go through. And this is important because typically, banks today want an SBA guarantee, especially before approving a startup loan."

The success factor

WHAT MAKES QUICKSTART UNIQUE? Nelson readily acknowledges he has been blessed with good fortune, "starting with good employees. Finding the right employees can be a challenge. What we do is unique. We have to have a mix of accounting knowledge and people skills. We're not your typical accountants."

He also recognizes he was in the right place at the right time, with the right boss.

"I had never dreamed of owning my own business," Nelson

admitted. "But I had a boss who was open to letting me do different things and who was very supportive."

Plus, he was heavily involved in working with QuickBooks and began to realize that many small businesses needed a great deal of support. Hence the name of his company, QuickStart.

"One day I had an idea to help businesses form startups, and it all just fell into line after that. So, yes, I have been fortunate."

What's next?

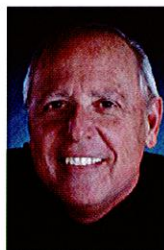
Nelson has already expanded the business from Menasha into a second office in Green Bay. Now they are ready to go nationwide. "We just launched www.quickbusinessplan.com. There are other businesses like this, but they offer cookie-cutter plans. What's out there right now will get you a pretty business plan, but it won't get you a loan."

The bottom line on Kent Nelson and QuickStart is that they fill an important niche that increases the probability not just that a business will get financing, but that it will survive, thrive and prosper.



Which banks will lend you money?

"What many people do not realize," said QuickStart's Kent Nelson, is that the criteria banks use for making loans changes almost day to day. "If they have a few deals go bad, they will be gun shy of making loans to similar businesses. If they had a daycare go out of business last week and lost \$300,000 and you walk in with a daycare proposal, they might turn you down."



John Ingrisano is a Wisconsin-based business journalist, marketing strategist and public speaker. If you would like John to review your company's needs or do a presentation for your business group, contact him at john@thefreestyleentrepreneur.com or call 920.559.3722.



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