



# 2015 ANNUAL REPORT







## BUILDING MAINE'S FUTURE, ONE BUSINESS AT A TIME

### 2015 WAS A YEAR OF TRANSITION FOR THE MAINE SBDC

Three seasoned business advisors announced their retirements:

John Entwistle, Center Director/Business Advisor - 26 years of service

Rod Thompson, Center Director/Business Advisor - 26 years of service

Mike Kasputes, Business Advisor - 11 years of service

These three advisors have collectively worked with almost 9,000 clients over their careers with the Maine SBDC and have contributed to significant economic impact in the State of Maine including:

- 430 businesses started
- 2,338 jobs created/retained
- Over \$70 million in capital obtained

As you can clearly see, we had big shoes to fill and we're pleased to add three new business advisors to the Maine SBDC network. Each comes from a dynamic

educational and small business background and brings new experiences, insights and opportunities.

We also worked to update our branding. Aligning our brand with that of the America's SBDC, a network of Small Business Development Centers that spans from coast-to-coast, will result in a stronger identity as an effective, connected program with the power to make a significant impact on our national, state and local economies.

Included within this branding update is a newly redesigned website, **[www.mainesbdc.org](http://www.mainesbdc.org)**. The website boasts a clean new look and streamlined navigation that offers a wealth of resources for both new and existing entrepreneurs and small businesses.

With a refreshed team, brand and website, we look forward to continuing to provide superior services to Maine's entrepreneurs and small businesses.





2015

# PROGRAM RESULTS

CLIENTS ADVISED: 1,633



JOBS CREATED/SAVED: 619



CAPITAL GENERATED: \$37.6 (MILLION)



BUSINESS STARTS: 102



Activities that yield positive returns over an extended period, such as those carried out by the Maine Small Business Development Centers (Maine SBDC), stand as a solid investment. The program's enduring performance over 38 years is owed in great part to its unique model — highly-skilled business advisors working directly with the private sector to fuel economic development.

The Maine SBDC program supports the efforts of small business owners and entrepreneurs in starting or expanding their businesses. Fourteen certified business advisors at contracted host organizations offer advice, help identify and access capital, conduct research, hold workshops and provide technical assistance. Host organizations in 2015 were the Androscoggin Valley Council of Governments, Coastal Enterprises, Inc. (CEI), the Northern Maine Development Commission and the University of Southern Maine.

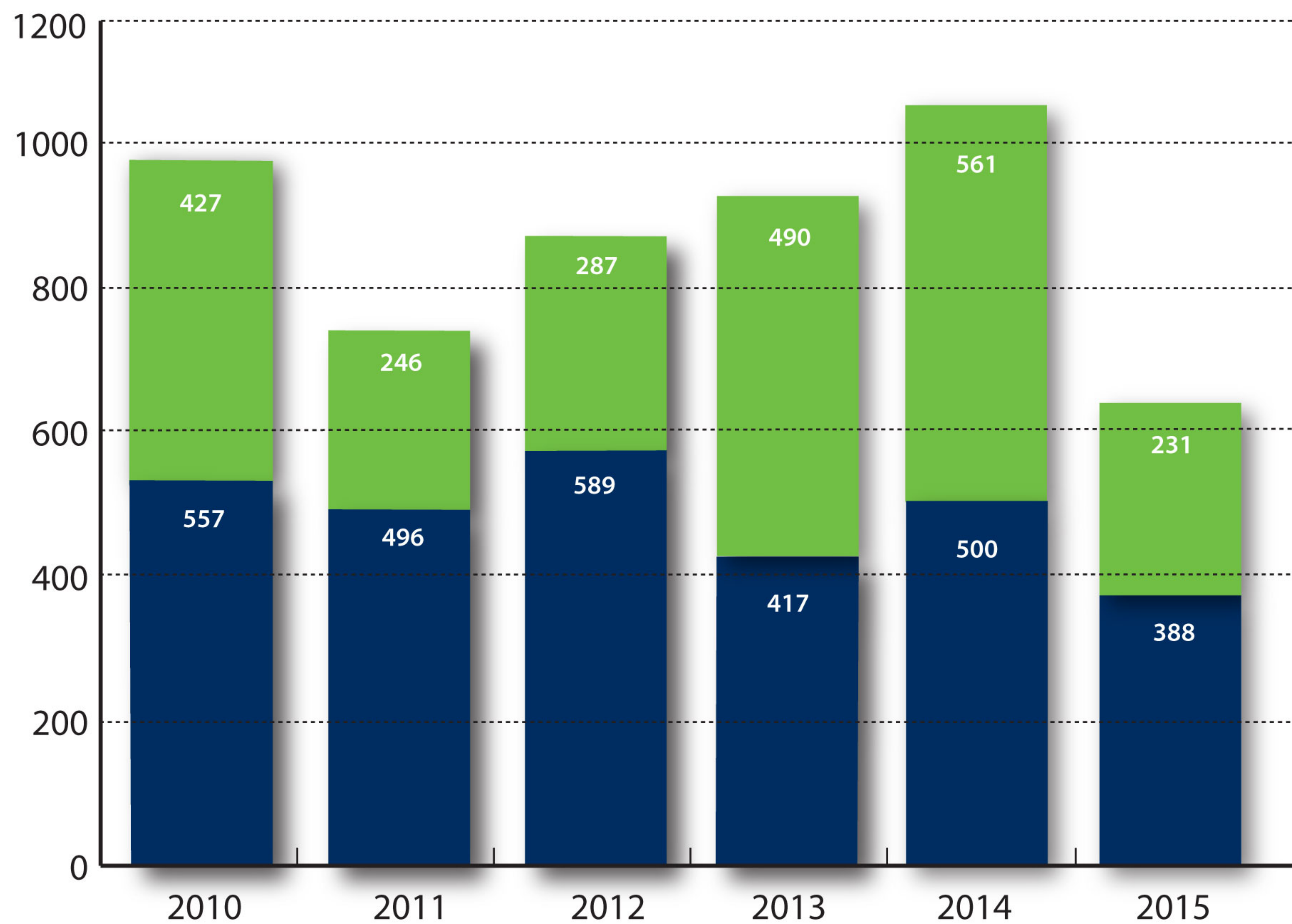


# CREATING AND SAVING MAINE JOBS

619 JOBS CREATED  
AND RETAINED



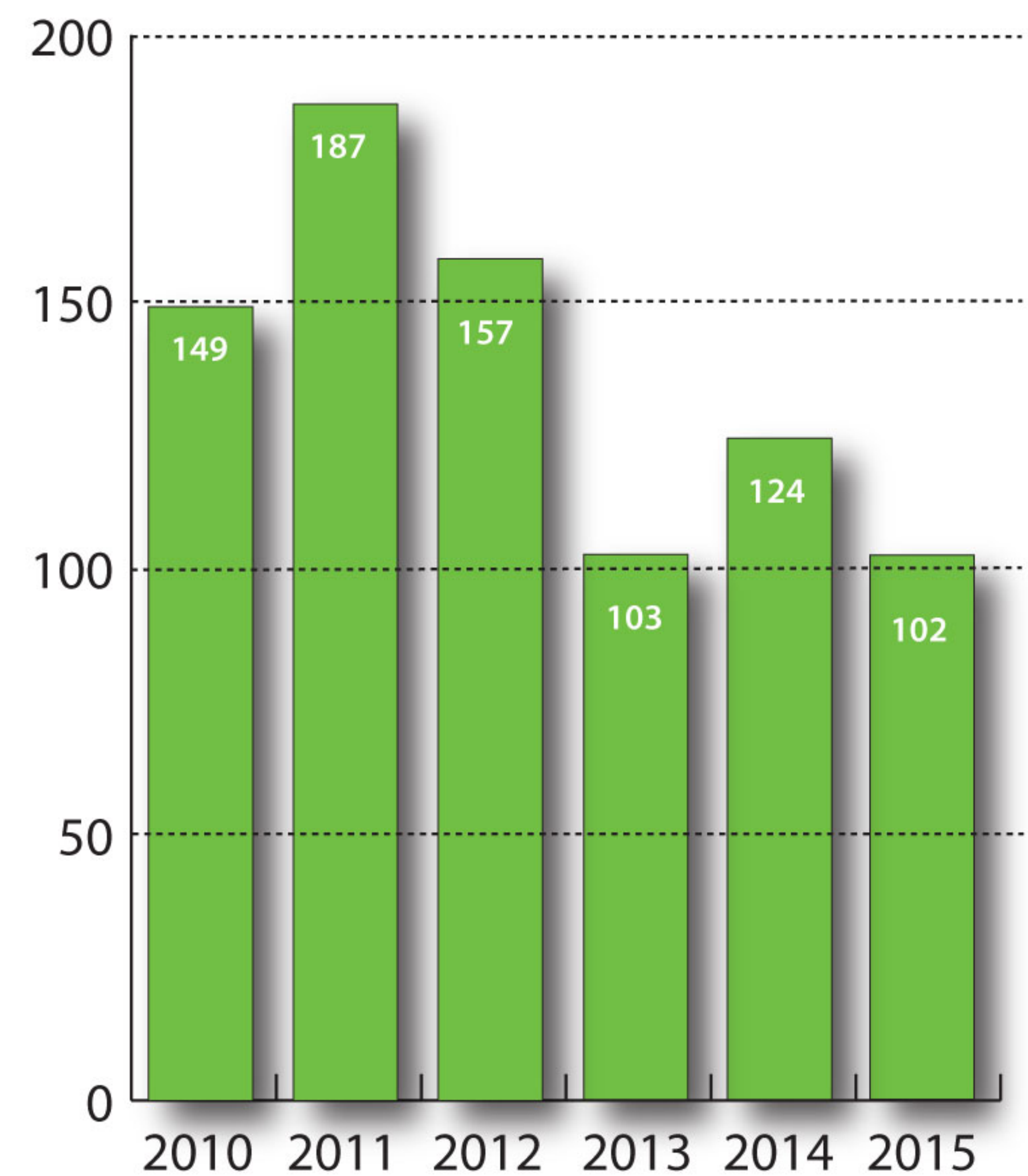
■ RETAINED ■ CREATED





# STARTING SUCCESSFUL BUSINESSES

## BUSINESS STARTS

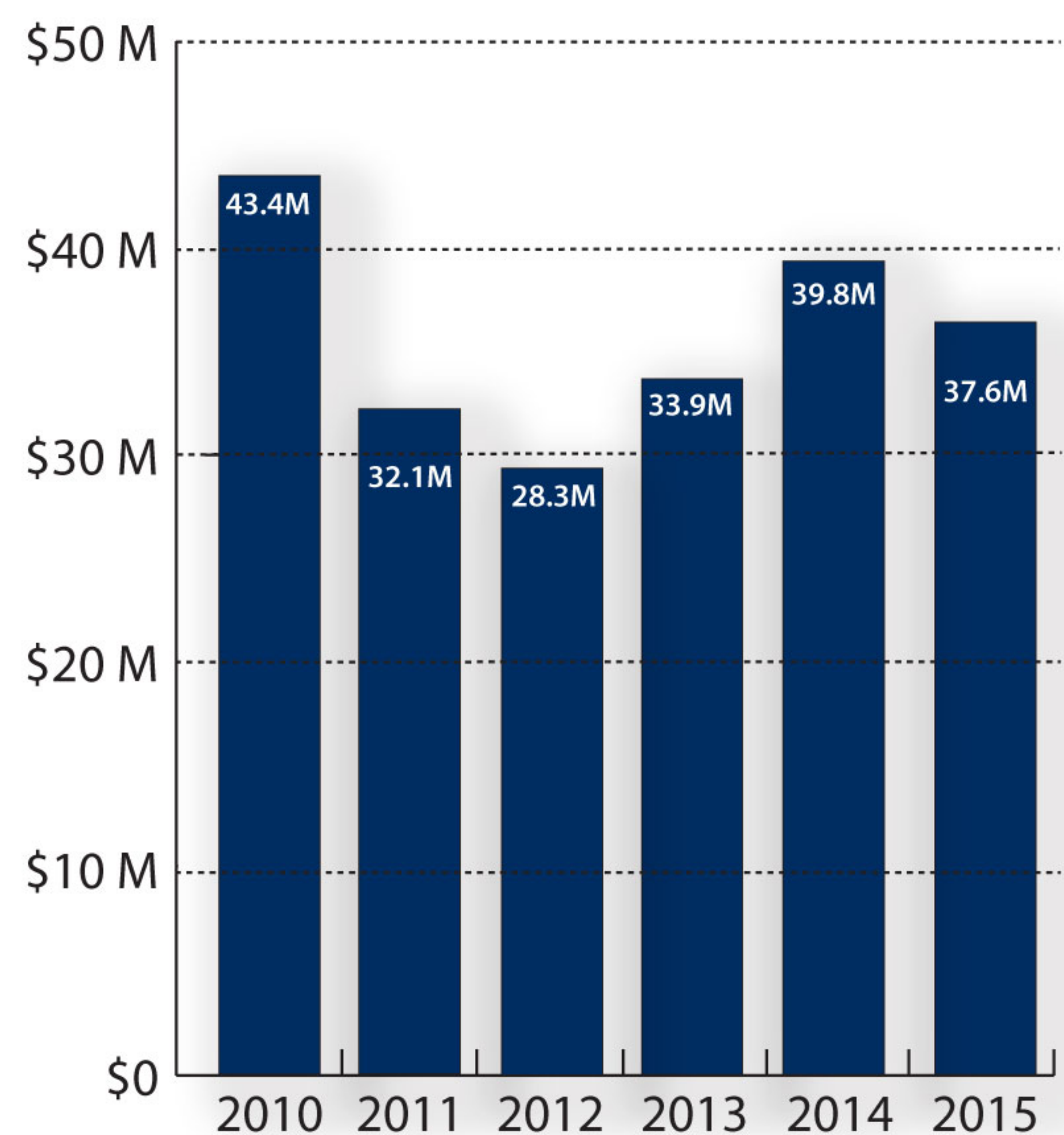


102 BUSINESS STARTS

Business advisors have worked with clients, partners, lenders and organizations around the state, contributing to the establishment of 102 new sources of employment, tax revenue and prosperity.

# GENERATING CAPITAL INVESTMENTS

## CAPITAL GENERATED



\$37.6 MILLION

This indicator is a compilation of owner investment, lender financing and other capital generated by Maine SBDC clients. During 2015, Maine SBDC clients generated \$37.6 million in capital formation, a significant positive impact on the state’s economic development and continued recovery.



# RETURN ON INVESTMENT SEES SIGNIFICANT INCREASE



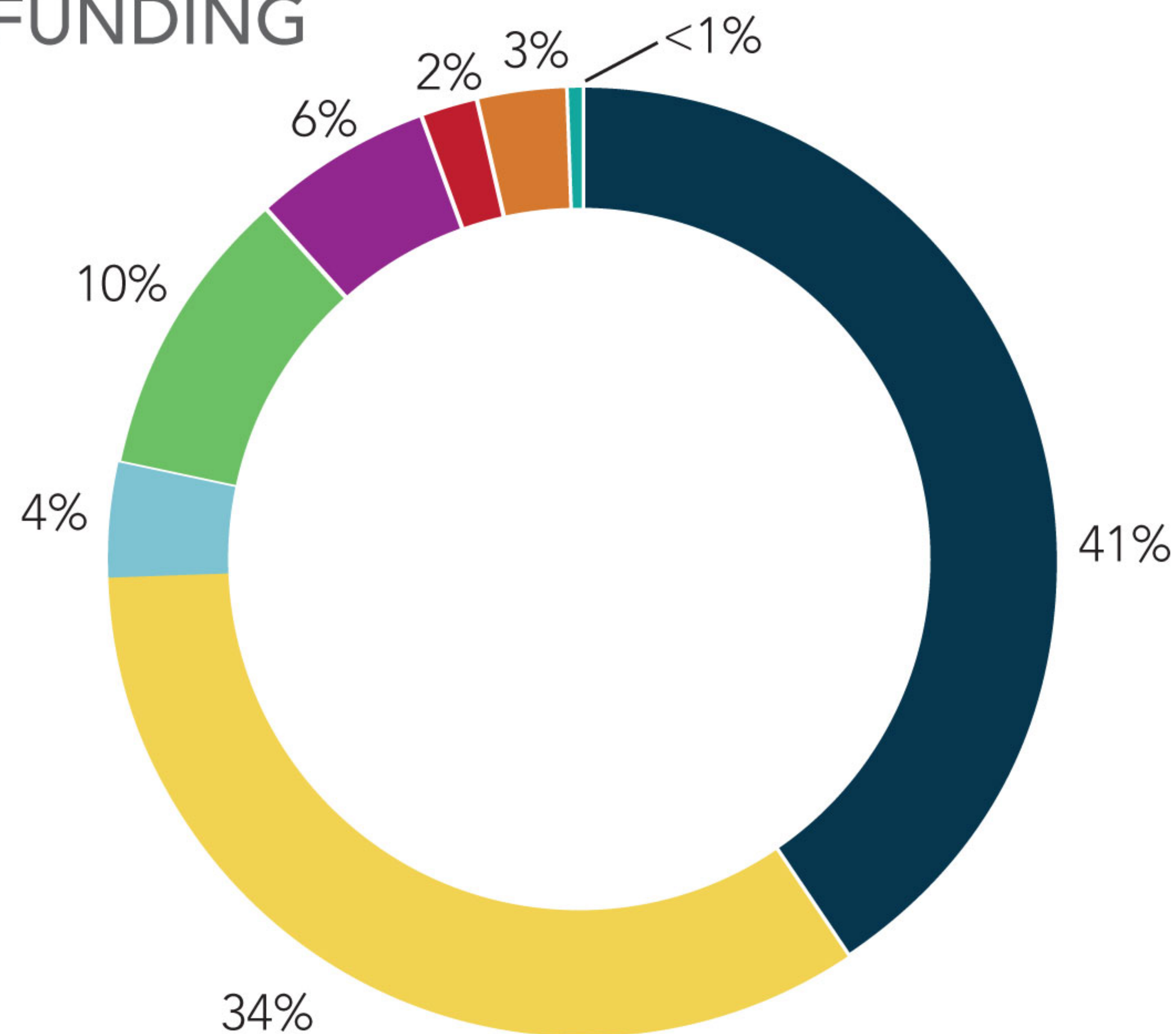
Return on investment for the Maine SBDC is evaluated, analyzed and reviewed annually through an independent study of the program conducted by Dr. James J. Chrisman at Mississippi State University. His findings are based on information provided by a sampling of clients meeting with a Maine SBDC business advisor for at least five hours. Dr. Chrisman's most recent report indicates that . . .

**FOR EVERY  
DOLLAR INVESTED IN  
THE MAINE SBDC,  
\$2.87 WAS RETURNED  
IN TAX REVENUE.**



# 2015 FINANCIAL OVERVIEW

## FUNDING



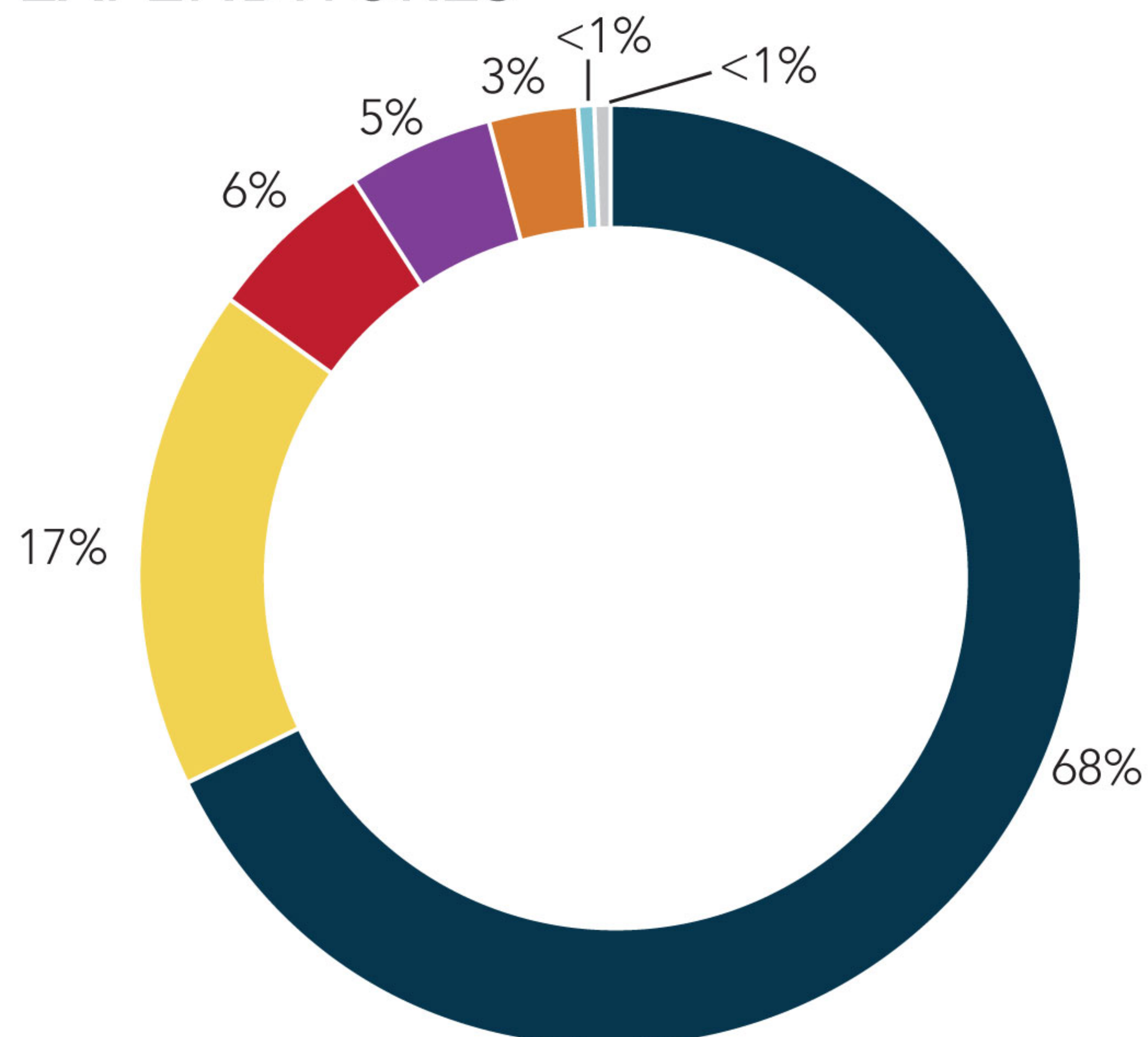
- ME Dept. of Economic and Community Development \$780,740
- U.S. Small Business Administration \$638,889
- Federal Contracts \$70,631
- Host Organizations \$196,191
- University of Southern Maine \$120,991
- State Contracts \$35,000
- Community Development Block Grant \$50,000
- Program Income \$1,739

**TOTAL: \$1,894,181**

-Excludes USM cost share and in-kind \$162,280

-Various project years normalized to calendar year format.

## EXPENDITURES



- Personnel \$1,290,507
- Indirect Costs \$326,389
- Operating Expenses \$108,923
- Contracted Program Services \$91,336
- Travel \$50,245
- Equipment & Software \$15,184
- Deferred Expense \$11,597

**TOTAL: \$1,894,181**



# 2015 HIGHLIGHTS

## CELEBRATING 35 YEARS

Maria Contreras-Sweet, the Administrator of the U.S. Small Business Administration, recognized the 35<sup>th</sup> anniversary of the America's Small Business Development Center (America's SBDC) network.

Over the past 35 years, millions of entrepreneurs and small businesses across the country have relied on America's SBDC network to help launch and grow their businesses.

*"Congratulations on 35 years of doing what you do better than anyone else in the world. The advice you dispense is the brick and mortar that has built the world's strongest economy, and SBA is proud to be your partner,"* Contreras-Sweet commented in a speech she gave at the America's SBDC Annual Conference in September.



## MAINE SBDC LAUNCHES REDESIGNED WEBSITE

Maine SBDC is pleased to announce the launch of its newly redesigned website: [www.mainesbdc.org](http://www.mainesbdc.org). The site boasts a clean new look and streamlined navigation that offers a wealth of resources for both new and existing entrepreneurs and small businesses in Maine. Users can access the site from any device and are able to request a business advising appointment; find small business workshops; find advisor and location contact information; find tools and templates; and learn more about the Maine SBDC.

## 2015 STATE STAR

Ann McAlhany was recognized by the America's SBDC as Maine's State Star in 2015. McAlhany is a certified business advisor at the Maine SBDC at CEI located in Bangor. She works with entrepreneurs and small businesses in Penobscot and Piscataquis counties. The award, given annually, recognizes a member of the Maine SBDC staff that has shown exemplary performance and a strong commitment to small business success.

*"Ann is an incredible asset to our program and role model among her peers. She is well connected within the small business community and works closely with our partners to ensure the success of her clients,"* said Maine SBDC State Director, Mark Delisle.



## FOCUSING ON BUCKSPORT BAY AREA

The Maine SBDC has received a grant from the U.S. Small Business Administration (SBA) to develop a program that will provide entrepreneurial advising and training for potential and existing business owners in the Bucksport Bay Area who have been adversely affected by the closure of the Verso Paper Mill. In particular, this grant targets those in Bucksport, Orland, Prospect and Verona Island, Maine. The program began in October 2015 and is planned to run through September 2016.



The program is designed to equip entrepreneurs and anyone interested in starting a business with a broad range of knowledge necessary for successfully developing and growing a small business. Maine SBDC has obtained a business advising outreach office where a certified business advisor is available to meet with new and existing businesses to discuss challenges and opportunities confidentially and at no cost.

In addition, the Maine SBDC will be organizing a workshop series, providing “mini-grants” to select businesses for professional services, hosting a business plan competition, creating small business resource and startup guides and planning a small business resource breakfast.

## SBA TOURS BANGOR

U.S. Small Business Administration’s Northeast Regional Administrator Seth Goodall and Maine District Director Marilyn Geroux toured multiple businesses in Bangor with Business Advisor and Center Director Tom Gallant. Goodall and Geroux stopped at a variety of downtown businesses including some Maine SBDC clients:



- Zeth Lundy, Central Street Farm House
- Betsy Lundy, Maine Cloth Diaper
- Christine and Eric Mihan, Bangor Wine and Cheese
- Amanda Sohns, The Rock & Art Shop

Goodall, Geroux and Gallant spent time with each business owner discussing their business and the assistance the Maine SBDC provided as well as highlighting Small Business Saturday, a day that encourages people across the country to support small, local businesses.

## FOCUS ON THE KATAHDIN REGION

The Maine SBDC continued its work in the Katahdin Region as part of a grant from the U.S. Small Business Administration (SBA).

In late September, Maine SBDC hosted a small business breakfast and resource fair for entrepreneurs and small businesses in the Katahdin Region. The sold out event featured guest speaker Bob Crowley, small business owner and winner of the reality show Survivor: Gabon, who entertained guests with stories of his time on Survivor and about his post-show small business, Maine Forest Yurts in Durham. Attendees also were able to connect with local small

business resource organizations that were on hand to share what they do and how they can help.

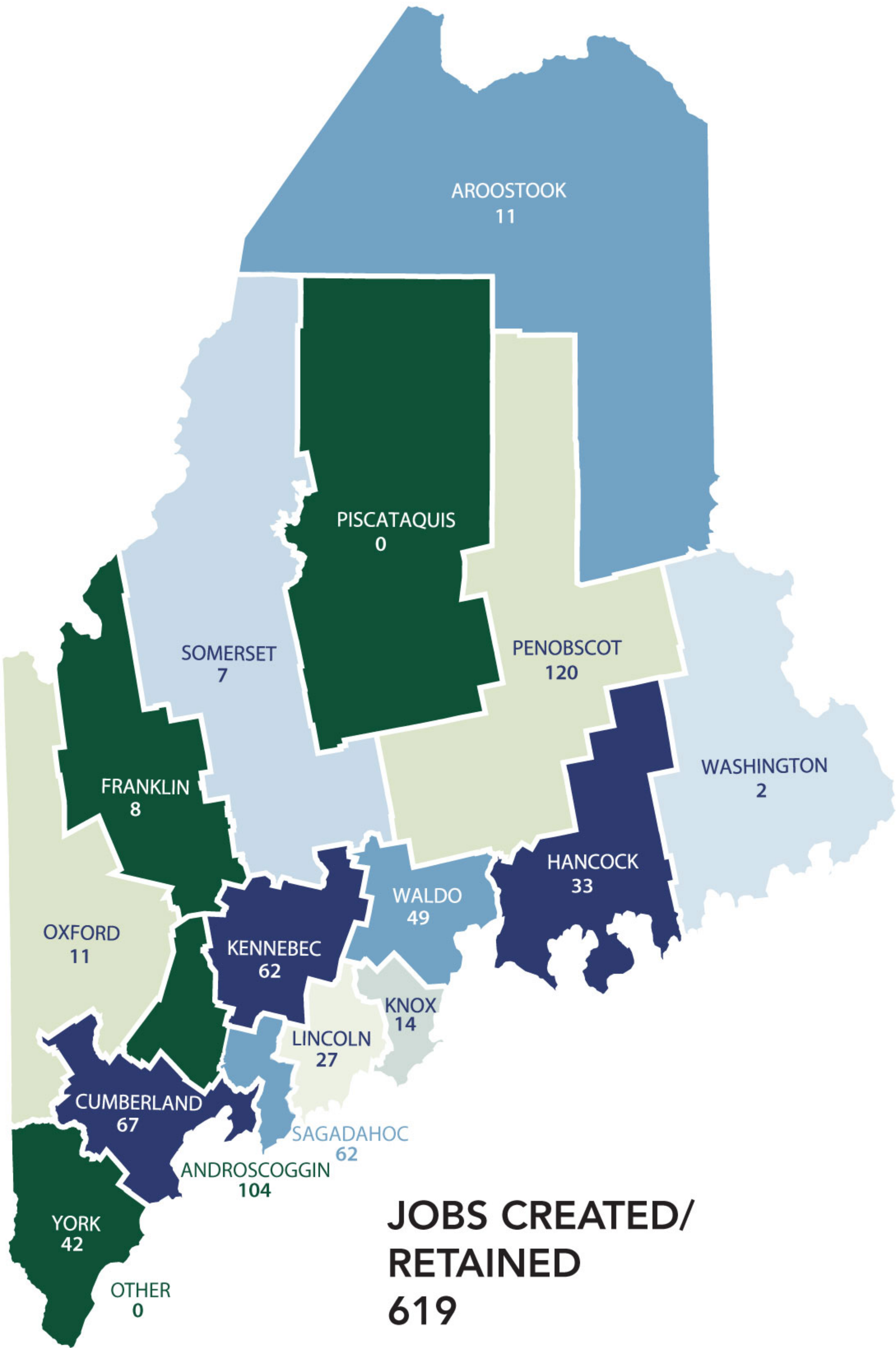
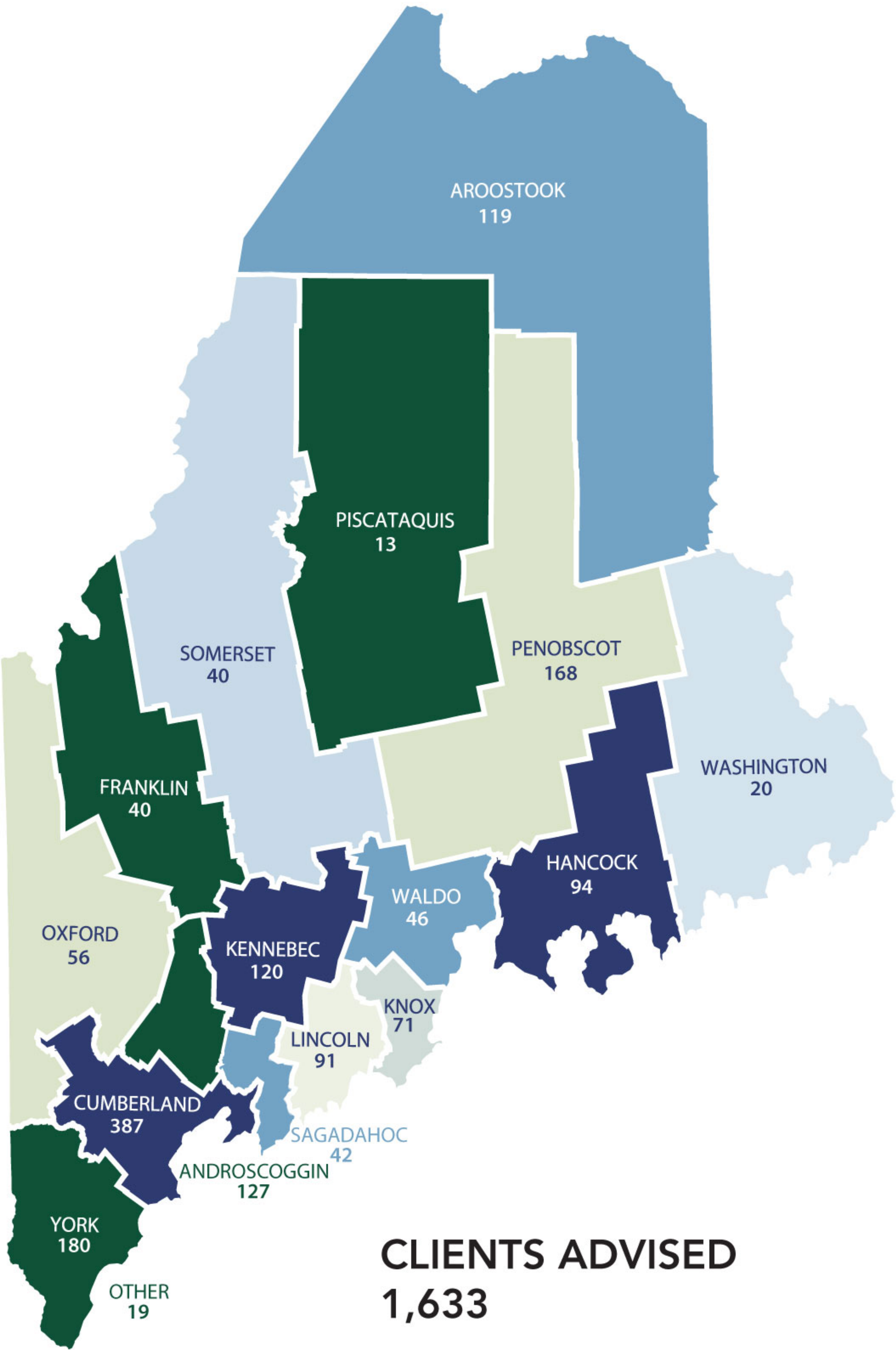
Maine SBDC also held a business plan competition which consisted of three rounds that required the competing businesses to create and present business plans that detailed how they intended to start and/or grow their small business, with a particular focus on sustainable business growth and commitment to the Katahdin Region. With over a dozen initial entries, DesignLab, a graphic design and marketing firm in Medway, won first prize and received \$3,500 in professional services. Allagash Tails, the second place winner, publishes Maine-based books and offers educational programs for children and adults. They received \$2,500 in professional services.





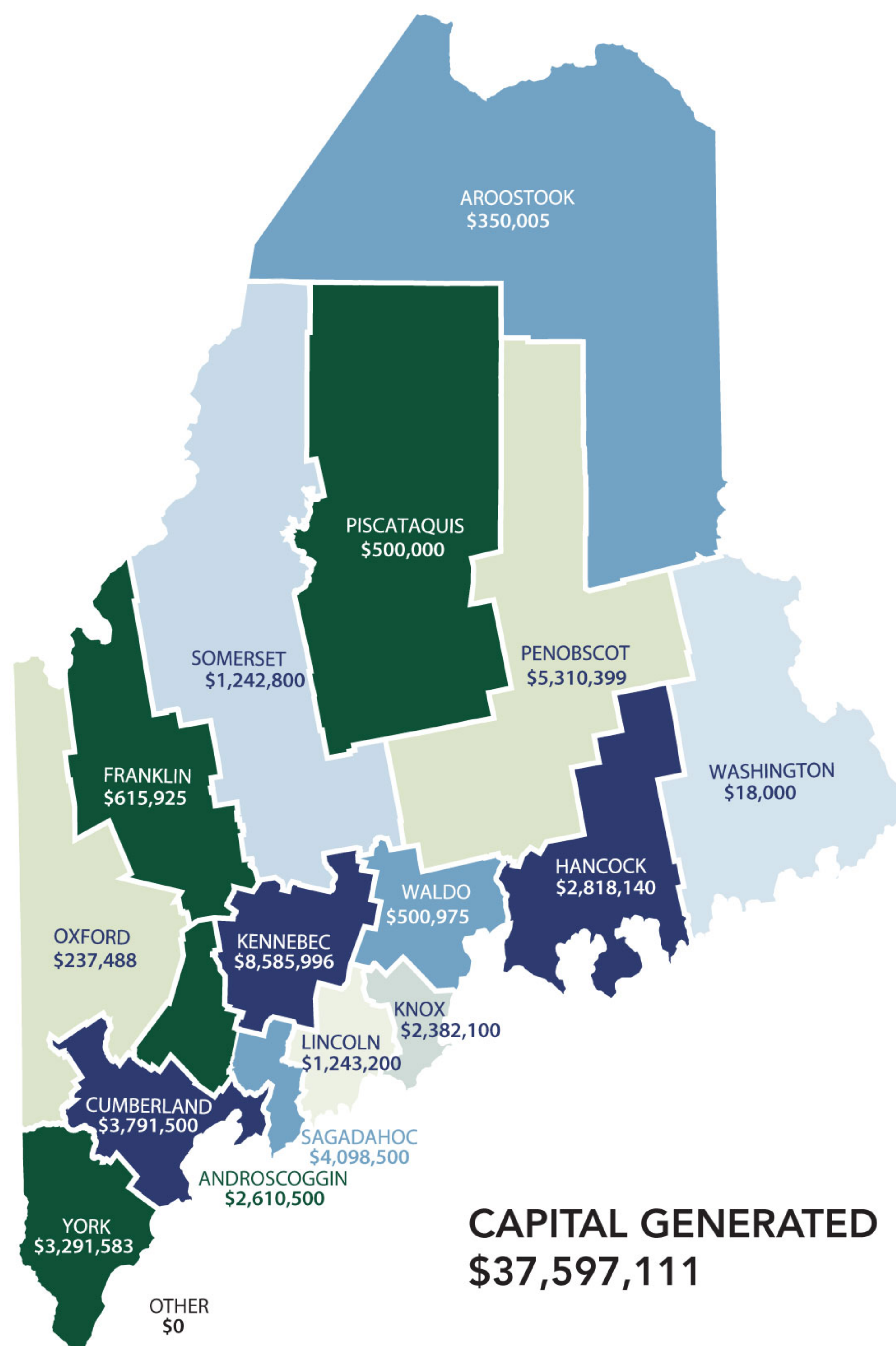
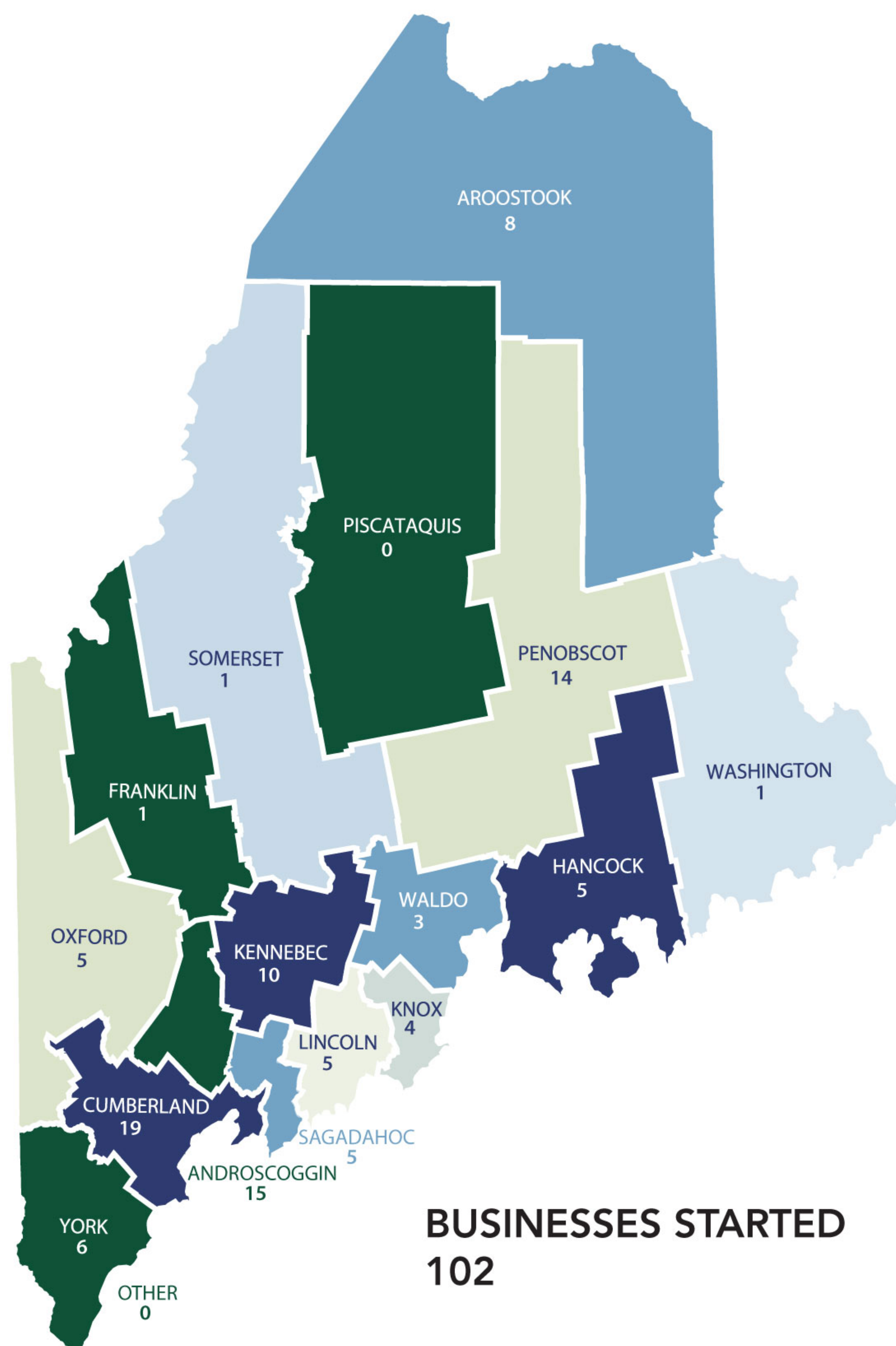
# 1,633 CLIENTS ADVISED

With offices throughout the state, fourteen business advisors serve all sixteen counties. Their knowledge, experience and commitment helped 1,633 clients to create/retain 619 jobs, start 102 businesses and generate over \$37 million in capital formation.



OTHER: OUT-OF-STATE, EXPANDING OR RELOCATING TO MAINE

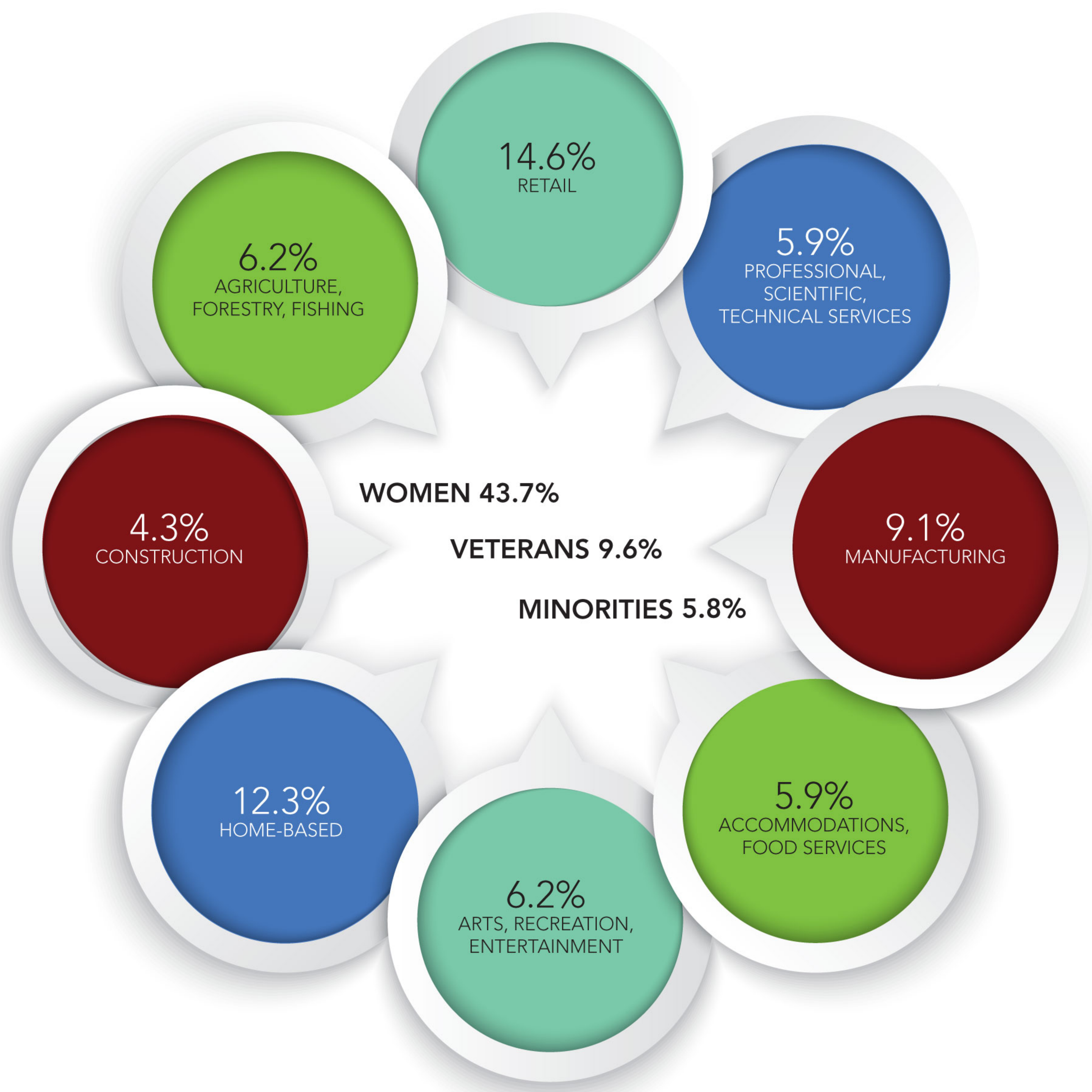






# CLIENT COMPOSITION

51% starting a new business / 49% already in business



## TRAINING AND WORKSHOPS

68 In-Person Workshops/Seminars with 778 Participants



# MAINE & LOIRE WINE SHOP

## PORTLAND

Orenda and Peter Hale moved to Portland, Maine from New York City to start a retail wine shop that focused on natural wine. All wines in the shop have been hand harvested without synthetic chemicals, fermented naturally with their own yeasts and see minimal manipulations or interventions in the cellar.

The Hales began the first phase of their journey to start a business with business advisors John Sanders and Tom Leach to discuss several issues: location, financing and marketing.

Leach pointed out that parking, accessibility and drive-by traffic were important factors in selecting a location. They selected a location in the up-and-coming East Bayside area of Portland – near the foot of Munjoy Hill. Their space is industrial chic, with high ceilings and the original brick flooring from the old Nissen Bakery. Their neighbors include a mix of restaurants, shops and breweries.

The Hales needed financing to start their business. They began meeting with business advisor John Sanders who, over the course of several months, worked with them to develop a cash-flow projection in order to apply for a loan.

Sanders told them about the Micro Business Loan Program through the Portland Economic Development Department. Once the cash flow projection was completed, the Hales met with the Portland Development Corporation, the city's lending board, which reviewed and approved the loan for \$45,000.

They opened Maine & Loire Wine Shop in January 2015. In 2016 the Hales plan to add a wine bar in the front of the space and the retail shop will be in the back.

*"You have been an integral part of this whole process – your sage advice has been indispensable. We can't thank you enough!"*

*-Orenda and Peter Hale  
Business Owners*

**CLIENT:** Orenda & Peter Hale

**BUSINESS:** Maine & Loire Wine Shop

**CLIENT SINCE:**

August 2014

**BUSINESS ADVISORS:** John Sanders & Tom Leach, Maine SBDC at the University of Southern Maine

**LOCATION:** Portland, Cumberland County





# ESSENTIAL LEARNING SOLUTIONS

## LIVERMORE



*Essential Learning Solutions, Inc.*

**CLIENT:** Catherine Cote

**BUSINESS:** Essential Learning Solutions

**CLIENT SINCE:** September 2013

**BUSINESS ADVISOR:** Jane Mickeriz, Maine SBDC at Androscoggin Valley Council of Governments

**LOCATION:** Livermore, Androscoggin County



Catherine Cote went to see Business Advisor Jane Mickeriz seeking licensing, location and financing assistance for a new business she wished to start. With many years of experience in both special education and the science of Applied Behavior Analysis (ABA), she wanted to start a preschool that provides services to students with disabilities from ages two to five.

Cote and Mickeriz worked together over many months on a business plan, financial projections, hiring and payroll issues. They worked with local banks to be sure Cote had all the necessary components to receive financing and in August 2015, the \$60,000 loan was approved.

Cote was able to hire educational technicians/behavior health professionals and a Special Educator, creating one part-time and six full-time jobs. In addition, she hired two consultants, a licensed social worker and a special education administrator.

Essential Learning Solutions (ELS) opened in September 2015 and is located at 1472 Federal Road in Livermore. The specialized preschool offers 1-to-1 or 2-to-1 instruction and accepts referrals from many sources including Maine Child Development Services, public and private schools, and mental health agencies. ELS also provides consultation services to public and private agencies in Maine and behavioral and educational assessments. After only a few months, she has reported having 11 children enrolled.





# MAINE CLOTH DIAPER COMPANY | CENTRAL STREET FARMHOUSE BANGOR

**B**etsy and Zeth Lundy originally contacted Center Director and Business Advisor Tom Gallant in 2010. The husband and wife team wanted to buy a building in historic downtown Bangor in which they could live on the top floor and open a business on each of the two bottom floors. Gallant has spent over 50 hours working to help this couple's businesses succeed.

After many months developing their business plan, they borrowed the money from the bank and opened up their businesses. The building features a unique mixture of urban homesteading and do-it-yourself retail. On the first floor, Central Street Farmhouse sells supplies to make beer, wine, and cheese, as well as some local sundries. On the second floor, Maine Cloth Diaper Company sells cloth diapers and natural parenting supplies, including ergonomic carriers, nursing bras, toys, and more.

In 2013, they came to see Gallant again when they considered purchasing a competitive cloth diaper business that had a high ranking website and many on-line customers. Once again, with Gallant's help they developed a business plan and received bank funding for the purchase.

In 2015, they returned to Gallant to discuss the performance of their baby-focused business, which had more than doubled. They wished to move the business out of the 2nd floor and into another 1st floor space in downtown Bangor. They wanted to turn the 2nd floor into a wine making classroom. They worked with Gallant again to get another bank loan. In July 2015, the couple secured a new space for Maine Cloth Diaper Company on Main Street in downtown Bangor, just down the road from Central Street Farmhouse.

The Lundys have become dynamic business owners, who have worked with many other business owners to revitalize downtown Bangor into the eclectic mix of small businesses that it has become.



## MAINE CLOTH DIAPER COMPANY



## CENTRAL STREET FARMHOUSE

**CLIENT:** Betsy and Zeth Lundy

**BUSINESS:** Maine Cloth Diaper & Central Street Farmhouse

**CLIENT SINCE:** April 2010

**BUSINESS ADVISOR:** Tom Gallant, Maine SBDC at CEI

**LOCATION:** Bangor, Penobscot County





# JAI SOFTWARE

## FARMINGDALE



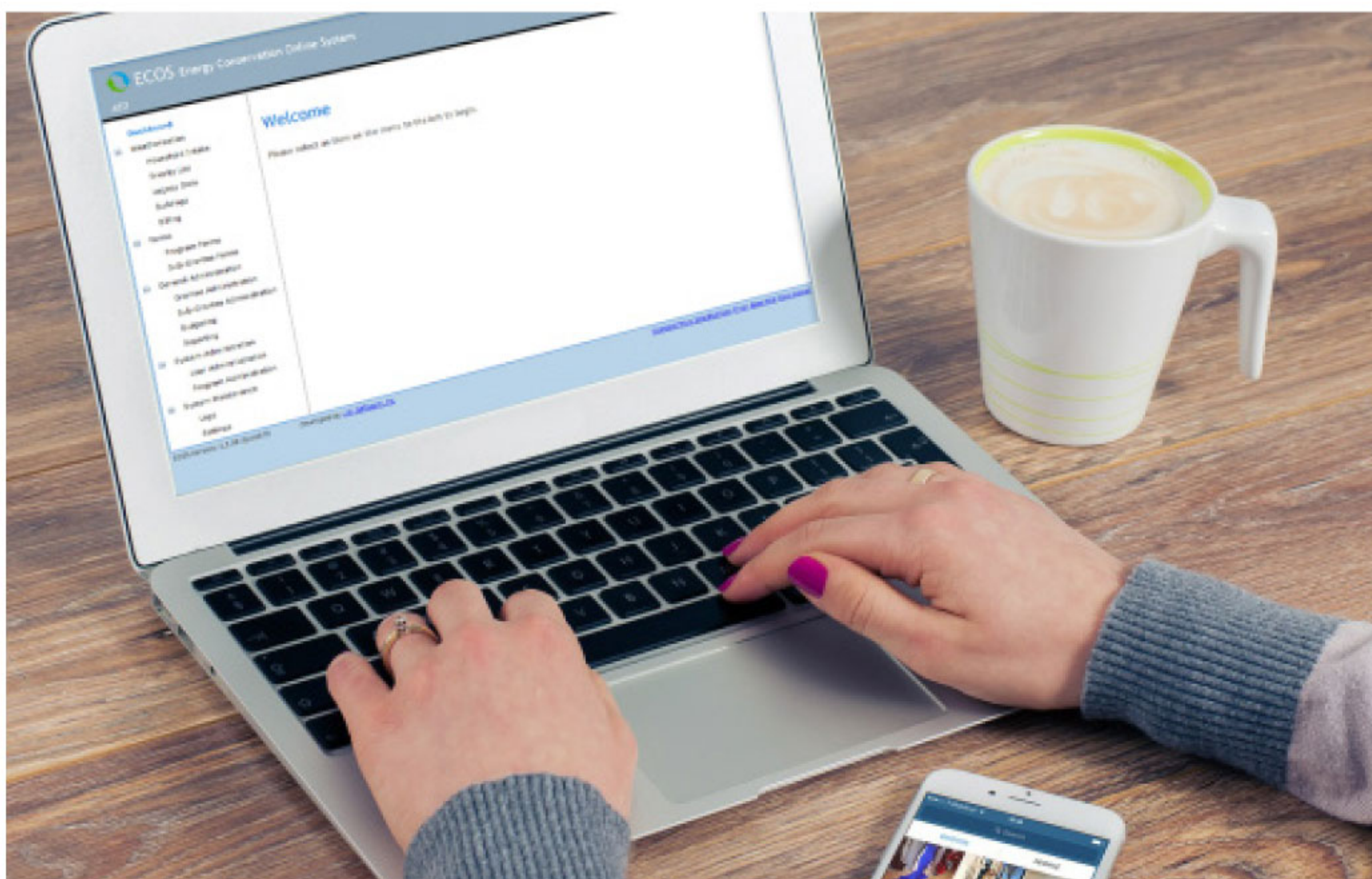
**CLIENT:** John Joseph

**BUSINESS:** JAI Software

**CLIENT SINCE:** June 2014

**BUSINESS ADVISOR:** Brad Swanson, Maine  
SBDC at CEI

**LOCATION:** Farmingdale, Kennebec County



John Joseph, CEO of JAI Software, first approached Business Advisor Brad Swanson in June 2014 seeking assistance with the growth strategy for his business. JAI Software specializes in software development and technical services to administer residential energy-efficiency programs and other social service programs funded by governments, non-profits, and utilities.

With a promising new SaaS (Software as a Service) product in the Beta stage of implementation and R&D in full swing, the business needed increased capital to succeed and sought help accessing capital funding.

Joseph and Swanson worked through several iterations of a business plan. They worked extensively on the plan's clarity, flow and financial statements. In addition, the pair worked on plan presentation and pitching techniques. Swanson also connected Joseph with local Angel and Venture Capital experts for advice and coaching. Through these connections and services, it was determined that debt was the best funding option at this stage in the JAI growth process. JAI's plan was presented to a local Community Development Financial Institution (CDFI) and Joseph was awarded \$150,000 in working capital. The plan also helped JAI Software receive a \$230,000 Development Loan from Maine Technology Institute.

*"I am deeply grateful for your assistance which helped our company protect jobs and navigate a complex growth path. When we transitioned from local customized software development and service to developing a national off-the-shelf software product, we knew we would need professional and financial assistance....I reached out to you at the SBDC as my first point of contact. We have come a long way since we first contacted you and appreciate your invaluable help"*

*John Joseph, Business Owner*



# OPEN BENCH PROJECT

## PORTLAND

Jason Ryan initially contacted the Maine SBDC for assistance in writing a business plan, determining the appropriate form of business ownership and management issues. His concept was to create a shared learn/work facility that would, for a membership fee, provide access to work space, tools, resources, instruction and guidance to members for use with their projects. These organizations are frequently called “maker spaces.” The vision for the space was to allow “makers” of all types to use the facility for various creative and developmental projects featuring a wood shop, metal shop, 3D studio and hack lab.

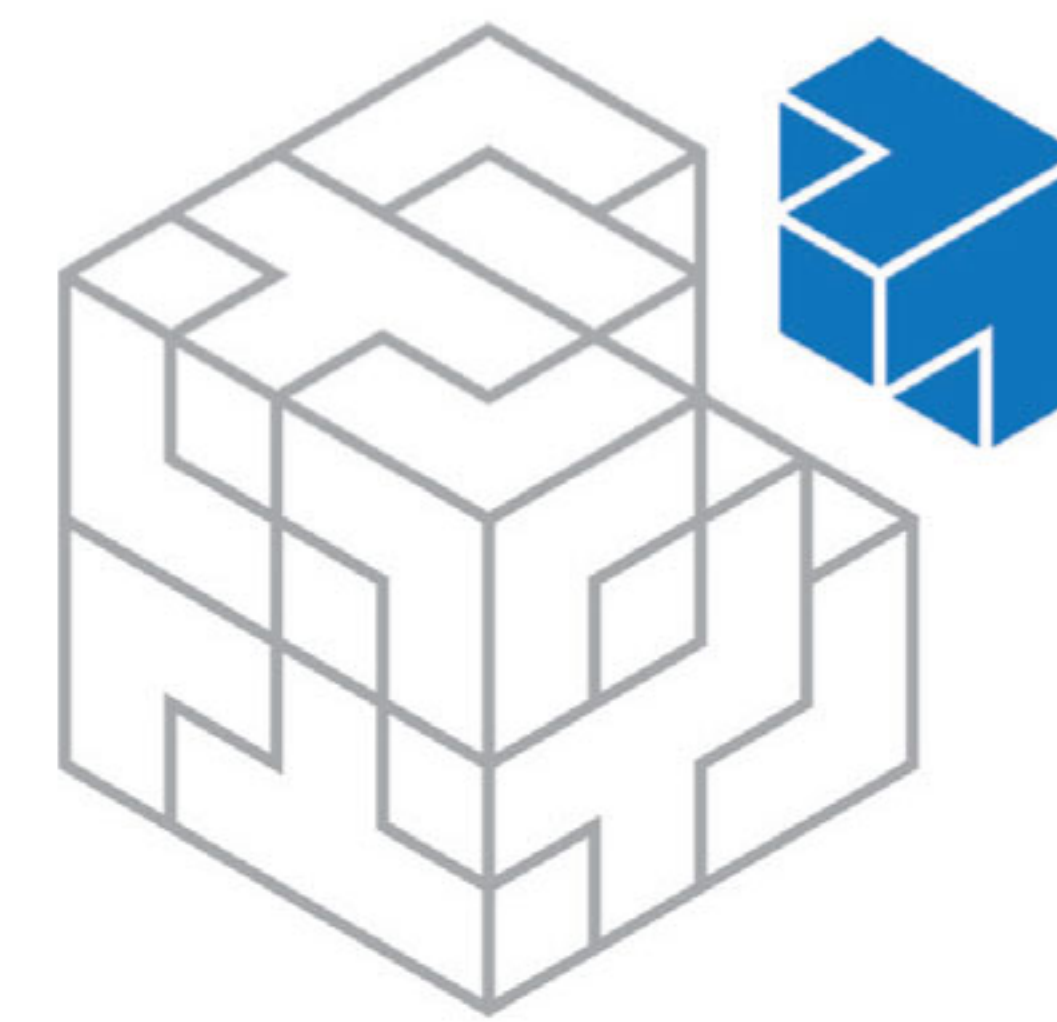
Business advisor Michael Kasputes began to work with Ryan initially on determining what form of business ownership would be best for the type of venture Ryan wanted to start. Kasputes pointed out differences of each and Ryan ultimately formed an L3C because of its social benefit emphasis.

With the need for funding, Kasputes pointed out the importance of demonstrating the need and desirability of a maker space. He advised Ryan to survey do-it-yourself (DIY) types of people as a way of gauging market potential for this type of business. With his knowledge of marketing and social media, business advisor Tom Leach reviewed the questionnaire and made other suggestions to garner support and interest in the business. The results of the survey were positive and gave encouragement for proceeding.

In 2014, Leach worked with Ryan to prepare an Indiegogo crowdfunding campaign that resulted in \$28,000. Memberships were gained and 7,500 square foot facility was obtained at Thompson Point in Portland.

As of December 2015, memberships have grown to 100, yielding \$8,000 per month. An additional \$2,000 per month is generated through workshops. In anticipation of future growth, the Open Bench Project is planning more classes and expanding into a larger space.

It was Jason Ryan’s vision to create a community where people can explore ideas, learn new skills, and encourage critical thinking and he has succeeded in doing just that.



Open  
**Bench**  
Project  
SHARE LEARN CREATE  
PORTLAND MAINE

**CLIENT:** Jason Ryan

**BUSINESS:** Open Bench Project

**CLIENT SINCE:** June 2013

**BUSINESS ADVISORS:** Michael Kasputes and Tom Leach, Maine SBDC at the University of Southern Maine

**LOCATION:** Portland, Cumberland County





# THE MILKHOUSE

## MONMOUTH



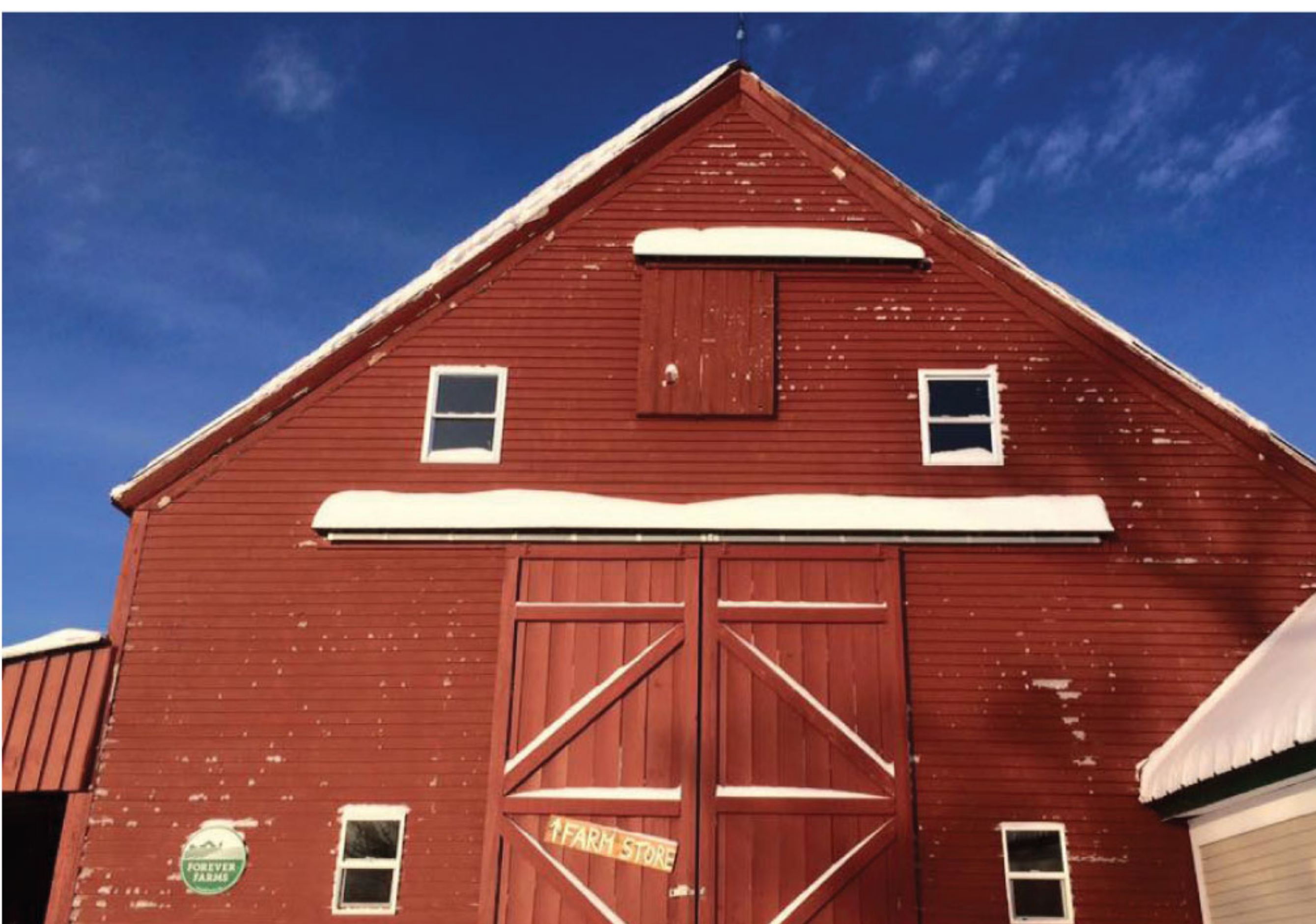
**CLIENT:** Caitlin Frame and Andy Smith

**BUSINESS:** The Milkhouse

**CLIENT SINCE:** February 2014

**BUSINESS ADVISOR:** Janet Roderick, Maine SBDC at CEI

**LOCATION:** Monmouth, Kennebec County



Originally, Caitlin Frame and Andy Smith, a young couple with a certified organic creamery, met with Business Advisor Janet Roderick because they had bookkeeping and tax questions. At the time they were tracking sales and expenses using an Excel spreadsheet. Roderick helped them setup Quickbooks and showed them how to produce reports to better manage the business. Over the next year and a half Roderick assisted the couple in making their dream of owning a farm a reality. Starting out, Frame and Smith worked with Two Loons Farms, an organic dairy where they started their business. What they really wanted was their own farm so they could expand the business. And they found one: a 280-acre farm in Monmouth with plenty of hay and pasture land.

They turned to Roderick once again who helped them write a business plan and develop a balance sheet and cash flow projections that was submitted to Coastal Enterprises, Inc. (CEI) for a loan. It was approved and they were able to purchase the farm where they make organic yogurt, bottle organic milk, raise steers and pigs for meat and hens for eggs and have a farm store. Soon they came back to Roderick because their business was growing faster than they projected and they needed a larger delivery van and vat pasteurizer. Roderick assisted them with updating their projections and they were successful in getting another loan from CEI to purchase the equipment. Their products are now sold through co-ops and stores throughout Central and Southern Maine.





# THE MAINE PIE CO.

## BIDDEFORD

**G**luten-free desserts that taste good are a hot trend. There is one Maine company that is very successfully following that trend. Jill Miller has over a decade of experience in the bakery business. When she moved to Maine in 2000, she and her husband opened a bakery in the Lower Village of Kennebunk, Maine. When more and more customers asked for gluten-free options, she decided it was time to give them what they wanted. Her business, The Maine Pie Co., based in the North Dam Mill in Biddeford, ME, has been in business since 2014 and makes unbaked, frozen, gluten-free pies and tarts. Miller has created a product that is in demand, and a distribution system that enables her to sell her products from Maine to Maryland. Her customers include Whole Foods, Hannaford's, and other large retailers as well as specialty and health food stores. She came to see Business Advisor Steve Lovejoy seeking assistance with obtaining financing for a business expansion.

As Miller was building her customer list, she realized that she needed to expand her production capacity in order to meet the growing demand. She worked with Lovejoy to develop her business plan and cash flow projections needed to acquire the financing to expand the size of her facility as well as purchase some larger production equipment to scale up capacity. With the help of Lovejoy, Miller was able to obtain a \$130,000 loan from People's United Bank with a \$20,000 line of credit to expand her growing business.

*"Your guidance and help in the business plan and projections helped me accomplish something I have never done." – Jill Miller, Business Owner*



**CLIENT:** Jill Miller

**BUSINESS:** The Maine Pie Company

**CLIENT SINCE:** May 2015

**BUSINESS ADVISOR:** Steve Lovejoy, Maine SBDC at the University of Southern Maine

**LOCATION:** Biddeford, York County







MAINE SMALL BUSINESS  
DEVELOPMENT CENTERS

#### AUGUSTA

Maine SBDC/CEI  
Finance Authority of Maine  
5 Community Drive  
Augusta, ME 04332-0949  
207-620-3521

#### BANGOR

Maine SBDC/CEI  
One Cumberland Place - Suite 302  
Bangor, ME 04401  
207-942-1744

#### BRUNSWICK

Maine SBDC/CEI  
30 Federal Street  
Brunswick, ME 04011  
207-504-5886

#### CARIBOU

Maine SBDC/Northern Maine  
Development Commission  
11 West Presque Isle Road  
Caribou, ME 04736  
207-498-8736

#### ELLSWORTH

Maine SBDC/CEI  
210 Main Street - Suite 7  
Ellsworth, ME 04605  
207-664-2990

#### FAIRFIELD

Maine SBDC/CEI  
Kennebec Valley Council of Governments  
17 Main Street  
Fairfield, ME 04937  
207-453-4258 x215

#### LEWISTON/AUBURN

Maine SBDC/Androscoggin Valley Council  
of Governments  
125 Manley Road  
Auburn, ME 04210  
207-783-9186

#### PORTLAND

Maine SBDC/University of Southern Maine  
55 Exeter Street  
PO Box 9300  
Portland, ME 04104-9300  
207-780-4949

#### SACO

Maine SBDC/Biddeford-Saco Area  
Economic Development Corporation  
190 Main St., 3rd Floor  
Saco, ME 04072  
207-282-1748

#### WISCASSET

Maine SBDC/CEI  
297 Bath Road  
Wiscasset, ME 04578  
207-504-5434



Maine Small Business Development Centers  
55 Exeter Street, PO Box 9300  
Portland ME 04104  
207-780-4420 800-679-7232  
[www.mainesbdc.org](http://www.mainesbdc.org)

The Maine SBDC is funded in part through a Cooperative Agreement with the U.S. Small Business Administration, the Maine Department of Economic and Community Development and the University of Southern Maine