

# Business Record

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## Business owners head back to school - for growth

BY JOE GARDYASZ



*Verlene Vanderpool, owner of Noodle Zoo Cafe & Catering, says she is gaining insight from participating in the Emerging 200 initiative. Photo by Duane Tinkey.*

Verlene Vanderpool says her only degrees are in "hard work and an optimistic attitude." But after eight years as a restaurant owner, the founder of Noodle Zoo Cafe & Catering is going to back to the basics with other entrepreneurs in a program designed to spice up their business plans and kick their employment levels up a notch or two.

"It's definitely like going back to school," said Vanderpool, whose competitive nature led her to create the trendy East Village and Westown Parkway lunch destinations.

Noodle Zoo is one of 20 Des Moines businesses chosen by the U.S. Small Business Administration (SBA) to participate in "Emerging 200," an initiative designed to accelerate the growth of 200 small inner-city businesses in 11 cities.

For the past several weeks, the business owners and executives have been attending biweekly evening training classes. By the end of the 13-week curriculum late this year, each of the entrepreneurs will have crafted three-year expansion plans for their businesses.

Des Moines is the smallest city chosen for the Emerging 200 training, which the SBA is simultaneously offering in Boston, Philadelphia, Baltimore, Memphis, Atlanta, Chicago, Milwaukee, Albuquerque, New Orleans and Oakland.

The national initiative, for which the SBA is spending \$400,000 to provide at no cost to the participating companies, focuses on working with small inner-city business poised for growth. According to the SBA, businesses with fewer than 20 employees created 80 percent of the new jobs in the economy from 1990 to 2003, and small businesses in inner cities added nearly three times more new jobs than larger companies did between 1995 and 2002.

"This is customer-driven training," said Ellen Thrasher, the SBA's director of entrepreneurship education. "By stepping forward, I think Des Moines has had the benefit of being the first out and crafting what works best in their community."

Thrasher said the SBA extensively researched the cities that applied to take part in the program before selecting the ones that would participate.

"What we looked for from the individual communities was a coalition of businesses, community leaders who had an investment in growing small businesses," she said, "so that they would have access to other portals of services as they graduate from the program." The initiative includes following up with each company six months after the training to assess what additional assistance it may need to move forward with its business plan.

Thrasher said the SBA will evaluate the results of the initiative to determine whether it becomes a recurring program, and that it's too early to say whether more Des Moines businesses could expect to access the program next year.

## **StreetWise**

For Vanderpool, who often finds herself rolling up her sleeves in Noodle Zoo's hectic East Village kitchen during lunch hour, it's a chance to step back from the daily fray and re-evaluate her recipe for growth.

"It's a tremendous class for a small business person like myself," said Vanderpool, who said she is already formulating an aggressive growth plan to add more company-owned and franchised locations. "It puts an enthusiasm back in your soul." In the weeks between the classes, the entrepreneurs also meet in smaller groups to provide each other with support and mentoring.

The SBA chose InnerCity Entrepreneurs, a Cambridge, Mass.-based consulting group that has worked with small businesses there for the past five years, to provide the curriculum. Beth Goldstein, a marketing consultant and author of "The Ultimate Small Business Marketing Toolkit," - part of the required reading - is traveling to each of the cities as she coordinates the national rollout of the program for the SBA. In Boston, Goldstein works with entrepreneurs through the Institute for Technology Entrepreneurship and Commercialization at the Boston University School of Management, and teaches entrepreneurial sales and marketing.

"I am here in the role of support to make sure our instructors around the country have the tools they need to really be successful, and to develop the program we know really works," said Goldstein, who visited Des Moines earlier this month to observe the class. The SBA contracted with BizStarts LLC, an Urbandale business consulting firm owned by Monica Dolezal, to teach the curriculum locally.

"The curriculum is great," said Dolezal, who worked for more than 30 years in banking before forming BizStarts four years ago. "'Streetwise' says it all; it's very much today's world." The business owners also meet in small groups on the weeks the class doesn't meet for mentoring groups, which is "like having their own brainstorming board of advisers," Dolezal said.

Small business owners can sometimes lose sight of their options after they've been operating several years, she said.

"I think that once businesses get to this stage, they don't even realize that they have options of different ways they can grow," she said. "So number one, it's educating them about options they have for growth, whether it's in number of employees, growth or in wealth. And they learn that the way they define success defines the way they will grow, and that's an eye-opener for them."

## **Growth phase**

The initiative fits well with the goals of GCommerce Inc., a software company that moved to Des Moines from New York state five years ago. Coincidentally, GCommerce is located in the same building as Noodle Zoo, at 601 E. Locust St.

"We've made a commitment at our senior management level that we want to continue to drive learning throughout the company," said Julie Oswald, the company's implementation manager. "When this opportunity came up, our founder, Steve Smith, was really excited to be able to include not only himself but others in the company with this program.

"Our company is also in a growth phase, so preparing the team for the changes on the horizon just kind of fell at a good time for us as well," Oswald said.

Smith said GCommerce is in the process of hiring 12 additional people, which would bring its work force to nearly 50. The company has a \$20 million backlog of work, he said, and its biggest challenge is finding full-time software professionals, because many are operating as consultants.

"Getting them to apply for a job is difficult," he said. "The attitude is 'try before you buy,' and who can blame them? And if someone's making \$90,000 or \$120,000 as a consultant, I have to pay them that."

Another Emerging 200 participant, Irwin Zuckerman, launched Park Avenue Laundry Service, doing business as PALS Linen & Uniforms, nearly 14 years ago.

"We've consistently had nice growth through the years," said Zuckerman, whose commercial laundry business specializes in serving the hospitality and health-care industries. "We're at the point now where we can increase our business and open up to a lot more businesses." With increasing energy costs, Zuckerman sees opportunities to target other types of businesses that could save money by using his company's services.

Currently using about half the space in a 38,000-square-foot facility at 100 Indiana Ave. north of downtown, the company has 15 employees, a complement of commercial laundry equipment and "a lot of space to grow," Zuckerman said.

"I believe that with markets opening up and growth in existing markets, we could add on another 10 to 12 employees within the next two to three years," he said.

Vanderpool, whose career began as a country club bartender in Mason City, accepted the manager spot there and put the club's restaurant back in the black within a year. She moved to Des Moines in 1995 and managed the Urbandale Country Club restaurant for five years before starting Noodle Zoo on Westown Parkway in 2000, which her husband, David, now manages. Two years later, she opened a second location in the East Village. Between the two restaurants, she now has 10 employees. Noodle Zoo also has also franchised operations in Omaha and Ankeny.

The Emerging 200 classes have been "a humbling experience," she said, "because they force you to take a hard look at your business. I see myself in all the examples (of what not to do)," she said with a laugh.

She shut down her first franchise location in Clive in 2006, after two franchisee operators didn't work out. "I'm going to be more selective and provide better training" with future partners, she said. Vanderpool said she may also open more company-owned locations.

"I'm still working on how I tap that larger market," she said. She is considering booking more corporate events and high-end social functions such as wedding rehearsals at the restaurants.

Vanderpool shattered her left knee in a bad fall two years ago, and she said it's been a slow process getting back to normal.

"This (opportunity) couldn't have come to me at a better time, coming off this injury," she said. "It's put that spark and energy back."

### **Des Moines' Emerging 20**

• ABC Metals & Recycling •  
American Awards Inc. • Beckley  
Automotive Services • Betty  
Andrews Media • Brainstorm  
Marketing LLC • Breiholz  
Construction Co. • Catchwind Inc. •  
Court Avenue Restaurant and  
Brewing Co. • GCommerce Inc. •  
Griffin Transfer & Storage Inc. •  
Holm Graphic Services Inc. • Image  
Solutions • Lumbermans Wholesale  
Co. • Midwest Business Solutions  
Inc. • Midwest Mobility Solutions •  
Multicultural Education Exhibits &  
Programs • Noodle Zoo Cafe &  
Catering • Outcomes  
Pharmaceutical Health Care • Park  
Avenue Laundry Service • Seibert  
Trucking Inc.

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