Dear Andra,

Welcome to the 2013 Third Quarter newsletter of the Small Business Development Center, O'ahu Center. As you may know, in the 19th century, before the advent of modern communications, news traveled between the islands borne on our trade winds, in the form of sailing canoes. Thus we chose the name Kamakani, which in Hawaiian means wind, symbolizing our effort to reach out to our clients, stakeholders, partners and friends to let you know about developments with the SBDC O'ahu Center, opportunities for engagement, and the progress we are making towards the realization of our vision. I hope you enjoy this issue, and please feel free to contact us.

Joe Burns
O'ahu Center Director

Client Success Story

By SBDC O'ahu Center staff

In 2011, a client came to us with the desire to borrow money to acquire property for expansion. They knew that with more room, they could expand their business by serving more customers. They were referred to us by a bank lending officer, because he determined that the company was not in a position to borrow money, as he was not confident they would be able to repay the loan.

Meeting with the client and some of the employees, we conducted a business analysis, and found the following issues:

- Poor labor control
- Ignoring the weak financial results
- Lack of understanding of pricing

At this point we told the client that it would take a sustained effort to address these issues. They agreed to cooperate. To begin to turn things around, we created and deployed a management system that gave the owners the ability to track and control labor. Since labor accounts for a large part of their costs, this effort, coupled with improved processes, eventually resulted in rising profitability.

We also insisted that the owners review their financial statements on a regular basis, in order let them know what was happening in the business, and not wait until it was too late before taking action to address a problem.
State of Hawai‘i; Jason Okuhama from American Farm Mortgage; James Koshiba from Feed the Hunger; and Joe Burns from the SBDC.

Future related events are being planned - watch your mailbox. Many thanks to Ron Umehira of Leeward Community College for the use of the classroom, to Melissa Rodrigues and Jason Okuhama for supplying the refreshments, and to Andrea Carroll for her assistance.

And understanding their numbers and cost structure led to a better pricing method, one that truly reflects the costs of doing business, and that takes into account overhead and any changes in inputs.

In short, after about 15 months, the client applied again and this time received the loan. They have acquired land and are in the process of constructing a new building. How can we help you?

**Calendar**

08/21/13 - How to Start A Business

09/25/13 - Pathways to Profit: Professional Selling

10/12/13 - Small Business Fair, Chaminade University

**In the Media**

SBDC Economic Impact

Health Care Changes: A new tool for business owners

Bill to give SBA complete oversight of veteran small business program

**Quote of the Quarter:**

"We can't solve problems by using the same kind of thinking we used when we created them"

-Albert Einstein

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**Contact Us**

**About Us**
**Business Events Calendar**
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**Consultants to Hawaii's Business**

"Enhancing the Economic Well-Being of Hawai‘i - One Business at a Time"