

PARK PLACE CHILDREN'S CENTER

A Start-up Business Overcomes Downturn Doubts to Secure Financing

Entrepreneurs are famous for their ingenuity, their perseverance, their philosophy of self-determination. And at no time are these traits more obvious than during a recession.

Take Cindy Weathers, founder of the new Park Place Children's Center of Simpsonville, a preschool for kids ranging from infants to K-4. In January 2008, Cindy began the planning process for her school. On September 24, despite the economic downturn, Park Place Children's Center received approval to construct a new \$4 million facility. The project is to be funded by the Small Business Administration's (SBA) 504 loan program, Countybank and Cindy's personal investment.

And how she did it, of course, was through ingenuity, perseverance and her sense of self-determination.

Cindy spent 10 years in administration at Shandon Forest Christian School and was a co-founder and director of Palmetto Prep in Greenville. When her position at Palmetto Prep ended, Cindy realized, "It was time to think about what I wanted to do next. What did I really want to do?"

What she wanted, it turned out, was to continue in the education field.

"Preschool education is what I love; it's what I enjoy," she says.

This time, though, she would do it her way. And her way would be creating a high quality center of learning for preschool kids.

"I believe that every other job I've had was God's way of preparing me for this," she says. "I'm convinced that this is what I'm meant to do."

Initially, Cindy had a hard time finding the financing for the school. "We approached several banks and were turned down several times."

Unwilling to give up, Cindy eventually approached the Greenville branch of Countybank, a Greenwood-based lender, where she was approved for 50 percent of her project. With the assistance of the Appalachian Development Corporation, she was able to secure another 35 percent commitment from the SBA through its 504/Certified Development Company loan program. The SBA's CDC/504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. A Certified Development Company, or CDC – in this case, Appalachian Development Corporation – is a nonprofit corporation set up to contribute to the economic development of its community. CDCs work with the SBA and private-sector lenders to help provide financing to small businesses.

"There were several times during the [loan] process when we were tempted to give up," Cindy says. There were additional requirements because of the economic downturn, such as additional insurance. But, "We were willing to do whatever it took to turn our dream into a reality."

At the time of approval, Cindy had already had her professionally printed Park Place Children's Center brochures ready to distribute. "That day," she says, "will never be forgotten."

The loan required a 15 percent capital injection, which Cindy and her husband did not have. And so Cindy got creative: She found investors. From an investment base of friends, family and colleagues, she networked her way to other potential investors. Whenever she found someone not yet willing to make a commitment, she'd turn the situation into another networking opportunity, finding out if that person knew someone who would be willing to invest.

"With the current economic crisis, investing in our business seems safer than investing in stocks," she says.

Within nine months, Cindy had raised the money for the 15 percent equity.

Of course, Cindy didn't receive financing and attract investors on the strength of her passion alone. She had a solid business plan. And to make sure her plan was the best it could be, she worked with the Piedmont chapter of SCORE, "Counselors to America's Small Business" and a resource partner of the SBA. In particular, she worked with counselor Ed Diaz, former owner of a chain of Sylvan Learning Centers. She met with him in person four times and continued with follow-up counseling via phone and e-mail.

As for other entrepreneurs, Cindy says to expect a lot of red tape, especially in the current economic climate. "You have to have faith and believe in your plan 100 percent and just go for it." She also recommends seeking out investors, as she did. "We didn't have the money ourselves, but we were blessed to find others who shared our passion for this project," she says.

And she also gives this advice: "In starting a small business, you can't be afraid of asking questions of *everybody*." Cindy herself contacted other people in preschool education to learn from their experiences. And, she says, use SCORE or a similar organization, and make sure to have a good business plan.

Park Place Children's Center will open in August 2009. The completed 20,000 sq. ft. building will include a gym, library and an enrichment center with a stage, puppet theater and computer terminals. The school plans to have an enrollment of 198 students, 35 teachers and five administrative staff, including Cindy.

"My job is not going to be work," Cindy says. "It's going to be a joy to be there every day. This is absolutely a God-given dream come true."



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