

FIREFIGHTERS OF NORTHEAST WISCONSIN



Extinguishing the blaze

As our annual Firefighters initiative wraps up, two more local business owners regain confidence to profit

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STORY BY SEAN FITZGERALD,
NEW NORTH B2B PUBLISHER

In early 2012, New North B2B sent a call out to business owners who feel as if they're constantly putting out fires within their company. We selected two, and matched them with a couple of northeast Wisconsin's leading small business strategists for six months of assistance at no cost. As the smoke clears, we illustrate how our Firefighters of Northeast Wisconsin helped to extinguish the blaze.

PURCHASING A NEW COMPANY VEHICLE for a business isn't necessarily a landmark development for most firms. For Lu Ann Vander Zanden, owner of Bridal Elegance & Formalwear in downtown Kaukauna, the new van she purchased in late August was more than just a way to transport her inventory to bridal shows around the state – it signaled another step in the evolution of her business and at least enough improvement of its financial records to help secure the loan to purchase the vehicle.

Vander Zanden, one of two business owners involved in the 2012 installment of our Firefighters of Northeast Wisconsin initiative, has worked with Gary Vaughan and his consulting firm, Guident Business Solutions of Appleton, since April to gain a better handle on the finances of her business, and help her put out the everyday fires that consumed much of her time and led to very few paychecks during her 13 years as a business owner. In fact, when she started on this journey with Vaughan six months ago, Vander Zanden said she wanted to replace the 1997 Chrysler she'd been driving. Now it's a reality.

"I wasn't sure I could get the loan without his help," Vander Zanden said of Vaughan. "I finally got the car I've waited seven years for."

It's not that Bridal Elegance was doing poorly. In fact, through hard work and a good deal of personal sacrifice, Vander Zanden had overcome a substantial amount of financial strife that dated back to 2004. At that time, she wasn't actively managing the business and held a fulltime job elsewhere when a former partner who managed the day-to-day operations of the store skipped town, leaving behind thousands of dollars in unpaid bills and taxes as well as empty cash accounts at the business, all of which Vander Zanden only learned about after she took over the business fulltime to sweep up the pieces.

In the nearly eight years since that time, Vander Zanden has paid up on debts to vendors and the IRS, covered payroll for her staff, acquired a rather large surplus of inventory, and in general has grown Bridal Elegance into a much more robust business. In addition to bridal gowns, Vander Zanden has expanded the store's offerings to include mother-of-the-bride/groom dresses,

PROFILE

Company: Bridal Elegance & Formalwear
Owner: LuAnn Vander Zanden
Location: Kaukauna
Year started: 1999
Employees: 7
What it does: Retailer of bridal gowns, bridesmaid gowns, prom gowns, tuxedo rentals, shoes, bridal jewelry, wedding accessories and attendant gifts
Web site: www.valleybridalelegance.com
www.valleytuxedos.com



an entire department of prom gowns, tuxedo rentals, jewelry, formalwear handbags, and a full line of wedding accessories. She had seven employees as of mid-September.

Despite the growth, Vander Zanden faced a variety of hurdles with her business. The historic 110-year-old building she owns to house the business preserves much of the traditional charm that suits her wedding and formalwear business, but also comes with a high price for maintenance and often unpredictable, costly repairs. She struggled with how to best spend her marketing budget, and she never really put together any kind of financial strategy or budget projection. Until she finally began her work with Vaughan, Vander Zanden didn't realize her bookkeeping records and data didn't provide an accurate dashboard for the financial performance of the business.

Financial mapping

THAT'S WHERE VAUGHAN STEPPED IN. He and his team from Guident firmly believe a company's balance sheet and profit and loss statement create a roadmap for its performance, and that a business owner needs to know how to effectively read that roadmap in order to make sensible decisions about their operations.

The consultants



Gary Vaughan
 Founder, owner and president
 Guident Business Solutions LLC
 Appleton
www.guidentbusinesssolutions.com



Mike Thuecks
 Consultant
 SM Advisors
 Green Bay
www.smadvisors.com

For Vander Zanden, it's a work in progress that's still far from complete. During the past six months, Vaughan encouraged Vander Zanden to convert her bookkeeping software from Peachtree to QuickBooks, a platform he said better suits the financial reporting demands of her business. She changed to a different financial institution, a move that helped with her vehicle loan, and may also lead to a separate revolving line of credit in the near future.

These kinds of changes might seem tedious, Vaughan said, but they're critical first steps in a long and dedicated process that ultimately provides tangible results.

"As a service provider, we know what it's supposed to look like at the end, but the business owner can't necessarily see it at the very beginning," Vaughan said. "It's like baking in general. We're in the kitchen whipping together a blob of dough, but the business owner doesn't necessarily see what we're making. We throw it into the oven, and then the business owner watches it rise."

Although Vander Zanden hasn't completely converted over to QuickBooks, yet – which she won't fully until Jan. 1 for tax accounting purposes – Vaughan said she's already been working with better, more accurate financial data for a couple of months. She agrees, and credits Vaughan's guidance for improving her store's outlook.

"He's actually taught me how to streamline, and how to take a look at the bottom line and determine whether it's a good decision or not," Vander Zanden said. She said she's learned the difference between costs, expenses and long-term liabilities, a distinction she previously didn't make between the

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three. She's working with vendors to negotiate more favorable payment terms, and is also looking to modify her credit card merchant plan.

The investment in QuickBooks software also allows Vander Zanden to better track her inventory, enabling her to make more effective purchasing decisions during the various bridal industry trade shows she attends each year.

"I'll be able to tell which lines sell better" than others going forward, she said. "I think I'm going to go into the next show a little sharper."

And Bridal Elegance continues to grow. Vander Zanden recently added an eveningwear product line. She added one part time staff member in August, and is looking to add another relatively soon.

What lies ahead

VANDER ZANDEN IS ALSO CONSIDERING embarking on a new venture to help her dispose of her older, more outdated inventory. She's in the process of preparing a business plan, and has already submitted an entry into the 2012 Northeast Wisconsin Business Plan Competition.

As for her beautiful and historic but often-in-need-of-repair

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building, Vander Zanden applied for and last month received a Property Assessed Clean Energy program loan through Kaukauna Utilities and the City of Kaukauna to replace all of the windows on one side of her building. She worked to repair the elevator in the building and is considering renovations to the second floor in 2013 to accommodate the new venture she's considering.

Though Guident's assistance to Bridal Elegance was made available at no cost through *New North B2B's* Firefighters of Northeast Wisconsin initiative, Vander Zanden said she plans to continue to work with Vaughan and his team at least through the point of having the new QuickBooks software completely implemented into her operations.

From Vander Zanden's perspective, the Firefighters experience during the past six months has helped breathe new life into her business, renewed her entrepreneurial spirit, and provided the motivation to see that better days lie ahead for Bridal Elegance, its customers, its staff and herself.

"It's been eye opening as far as the possibilities that are available," she said.

Temporary hold

THE SECOND TRACK to our 2012 Firefighters initiative involves the work Mike Thuecks of Green Bay-based SM Advisors has been doing with Chanda Anderson, owner of Caramel Crisp & Café in downtown Oshkosh. The two – along with Chanda's husband, Pete, who has fulltime employment elsewhere and isn't involved in the day-to-day operations of the business – are working on developing a strategic plan to

guide the organization's growth into the next few years.

Like Bridal Elegance, Caramel Crisp has been growing as well in the four years it's been in business, but there hasn't been much control or strategy to the growth, as Anderson has actively pursued opportunities to expand the products and services available to her customers. Unfortunately, it's created staffing and workflow challenges, as few of the roles in the business have documented processes and procedures. The company has grown both its inventory and its operations without accumulating any debt, but Anderson has done so by sacrificing any pay for herself. Fortunately, Pete's job provides the income and the health insurance their family needs to sustain. Thuecks and Anderson are looking to put strategy into action to help Caramel Crisp thrive while compensating Anderson for her efforts as a business owner.



In the course of their work together since this past April, Anderson has run into additional personnel problems, as two of her key staff members moved on in August. Wrestling those challenges has temporarily impeded her work with Thuecks, and as a result, the two are planning some final meetings yet into October.

So in the interest of Caramel Crisp charting the best course of action for itself rather than trying to meet a deadline for B2B, we've extended the timeline for Thuecks and his work with Anderson. We plan to return with a more in-depth analysis of their efforts in our November 2012 edition. **B2B**



Meet Bob Vann
He Helps Your Business:

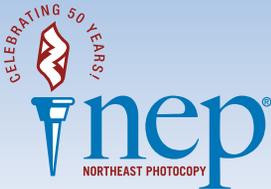
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