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Inc. Innovators Update: Kent Nelson diversifies QuickStart of Menasha to reduce effects of recession

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MENASHA — Kent Nelson is good at getting people money.

Back in 2003, Inc. Innovator profiled Nelson, owner of QuickStart, a two-year-old consulting firm that helped start-ups prepare business plans and find financing. He also assisted existing businesses refinance or get cash for expansion.

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From the company's 2001 start to the present, QuickStart has helped more than 130 start-up firms and a total of more than 350 clients obtain more than \$70 million in loans for their businesses, from \$20,000 to \$4 million each. Roughly 90 percent of the clients have survived, much higher than the SBA general statistics that show 50 percent of all small businesses fail in their first five years. Nelson said their success is because of careful business plans and because he has business owners borrow more than they think they'll need.

In the last five years, QuickStart itself had expanded to two locations — the new one in Menasha is now at 1429 Province Terrace — and Nelson now has four employees, including Todd Miller, an experienced lender who handles business development.

But in the last year, with bank loans scarce, start-ups have nearly dried up. Nelson has had to re-evaluate a lot.

"To survive in an economy like this, you have to be able to see opportunities, diversify and do whatever it takes to adapt," Nelson said. "As you lose part of the customer base, you have to diversify into other areas."

He realized that his company, like so many others, had to roll with the times.

While QuickStart still performs its original functions, its start-ups dropped from 40 percent of his business to about a quarter.

Nelson began doing loan packaging for the U.S. Small Business Administration and he became a partner in an executive search firm, Advanced Professional Services. He's been able to keep the volume of his company stable and actually start growing again in the last few months.

The biggest change was SBA loan packaging.

"Our client has changed from somebody who wants to start-up or own a business to basically the banks themselves. We put together SBA loan packaging for their 7(a) programs, for smaller community banks," he said.

Many smaller banks never participated in these kinds of loans since they require a lot of paperwork

and time. Recent changes made the loans more attractive, however, and banks began taking an interest.

“The SBA’s pretty backed up with all the recent SBA interest with the lower fees or no fees and 90 percent guarantee that’s being offered temporarily as well as ARC loans and other things that have popped up since the stimulus package was signed in February,” Nelson said.

Previously, the SBA charged about a 3 percent fee to the borrower on the guaranteed portion of loans.

The ARC (America’s Recovery Capital) loan program Nelson mentions began in June. It gives \$35,000 interest-free hardship loans to businesses.

“It hasn’t taken off because it’s a lot of paperwork. Lots of bigger banks aren’t participating. They have no incentive because they can’t charge a fee for packaging,” Nelson said. “We can, as a third party, charge a fee for packaging.”

His knowledge of the way the SBA works and how to fill out forms makes him one of just a couple of people in this part of the state that will process SBA 7(a) loan paperwork.

He works with Great Lakes Asset Corp., a private, nonprofit certified development company that processes loans for the SBA in Green Bay. Cindy Esterling, Great Lakes executive director, refers banks to Nelson.

“He is truly one of the few doing this. He’s the only person we refer to,” she said. “He’s a great entrepreneur, and the business he started has certainly been successful. Kent has an amazing background when it comes to the financial end.”

QuickStart’s work, and Nelson’s efforts, have been rewarded with accolades. He received a 2005 Financial Services Award from the SBA and the Fox Cities Chamber of Commerce & Industry’s 2007 Small Business of the Year award.

One client, Ben Skaletski, has come back to Nelson several times “because of the knowledge, professionalism and connections in the financial world. He’s good at assessing your needs and fulfilling those needs.”

Skaletski is owner of BK Laser in Fond du Lac, a manufacturer specializing in laser cutting and screen-printing for product displays and signage.

“He can help whether it’s a person green to the industry or someone who’s more advanced. That’s where I was. I knew a lot, and he was able to help me the rest of the way.”

Additional Facts

At a glance

- The original Inc. Innovator story on Kent Nelson ran Dec. 8, 2003.
 - On the Web: www.quickstr.com
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